Calgary Action Blow to Canadian Credit

LARGEST CIRCULATION
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FINANCIAL PAPER

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The Nation's Business

Calgary's Case Injures Her Own Credit and Others'

Prime Minister Sees the Light

Wheat Board Plan is Plain Case of Barometer-Smashing

Calgary Should Pay or Default Entirely

THE persistent refusal of the City of Calgary to meet its debt obligations to the letter is doing permanent harm to the credit of that great Western city and the taxpayers will pay dearly in the future for the temporary savings they think they are effecting.

Not only Calgary but other Canadian municipal and other government borrowers are suffering in financial markets from Calgary's decision to pay out only Canadian money on bonds which it has agreed to pay in American funds. Already many leading New York investment houses have recommended liquidation of Canadian bond issues to their clients.

Calgary made a bargain and now should keep it. If it turns out to have been a bad bargain that does not alter the ethical and moral obligation upon the city although it may teach the city and other Canadian borrowers not to be so shortsighted in their borrowings.

* * *

IT COULD probably be demonstrated that Calgary, as would be the case with most Canadian cities, has enjoyed a definite net gain from having made its bond issues payable in New York. It borrowed at lower rates of interest by doing so and has enjoyed these lower rates of interest for a number of years. Only now is it being asked to pay a premium on the principal and interest payments. At one time it was glad to get the New York loans; it assumed certain risks and now should be prepared to pay the price when the inherent hazards in the transaction turn to realities.

If Calgary cannot raise from the taxpayers or cannot borrow in Canada the money to meet its interest and principal payments let it then declare itself to be insolvent and default on all its bond issues. It can then make a settlement with its creditors and in such a settlement it may indeed be that it can relieve itself of the obligation to pay New York creditors in their own money. But Calgary does not admit that it is insolvent or near to general default on its obligations. A forced default would be a more honest thing than a refusal to keep to the letter of a bond especially when the letter of the bond is also the spirit of the bond.

* * *

CANADIAN borrowers may, of course, learn some lessons from the present rude experiences. Some of these were referred to in The Financial Post somewhat over a year ago when it was urged that Canadian cities, provinces and corporations should never again make their securities payable in anything but the lawful money of Canada; that they should, if necessary, pay a slightly higher borrowing rate in order to protect themselves against exchange vagaries and absurdities. If Canadian cities and governments and our larger corporations adhered firmly to such a policy and were supported by Canadian banks and investment bankers, foreign buyers of our securities would in time forget about New York and London payments entirely.

Canada has benefitted from the investment of foreign capital but a great deal of this capital has been obtained at much too high an ultimate cost. We would have been better off without it.

* * *

Mr. Bennett's Message

THE New Year's message of the prime minister was almost a very important document. Three or four times, in the course of his January 1 comments on the current economic situation, Mr. Bennett edged up very close to national and international problems of key importance and gave a hint that he was seized of their essential significance and of the weakness of some of the solutions that have been offered for them but in each case he shied off from either the final diagnosis or the final prescription. One must then read between the lines in Mr. Bennett's message but, reading between the lines, one can not but gain the impressions that the prime minister is losing his faith in stop-gap

(Continued on page 2, col. 3)

MONT. TRAMS EARNINGS OFF IN LAST YEAR

Will Take $500,000 from Reserve to Make Up Deficit

LOWER DIVIDEND

Expect Drop of More Than $1,200,000 in Gross Income—Affect United Securities

From Our Own Correspondent

MONTREAL. — Operations of Montreal Tramways Co. under the contract entered into with the city in 1918, will show a gross revenue in 1932 slightly better than $13,000,000, or the lowest figure reported since 1926, according to preliminary indications.

One of the features of the contract between the tramways system and the municipal authorities is the payment of an annual trackage rental of $500,000, provided that earnings were sufficient to cover the charge. In the last six years this amount has been covered by a fair margin.

Dip Into Reserves

Such has not been the case in 1932 and gives rise to the opinion that Montreal Tramways Co. report for 1932 will be the most unfavorable published in several years. Support of this view is seen in two recent developments. First was the action of the company in reducing the dividend on its $7,000,000 of capital stock from $2.50 to $2.25 quarterly, or from $10 to $9 a share on annual basis. This will cut down the company's cash disbursement on its stock by $70,000 annually.

The second development was the action of the Montreal City Council in agreeing to permit the company to take $625,000 from its maintenance account to make up an operating deficit and thus in turn providing for the annual payment to the city of $500,000 track rental as provided for in the contract between the city and the company.

The fact that the company is permitted to take $625,000 from the maintenance fund, which stood at $800,132 at the close of 1931, indicates that gross revenues are probably more than $1,000,000 less than in 1931. The actual figure is likely to run appreciably higher in view of the heavier premium paid on the purchase of New York funds to cover interest on the company's outstanding funded debt of some $48,000,000.

Figures For Eight Months

During October an interim statement was issued showing that the figures for the first eight months gross income had amounted to $8,919,514 as against $9,720,200 for the corresponding period of 1931. To the end of August the company carried 190,544,989 revenue and transfer passengers, as compared with 211,089,688 in the corresponding period of the previous year, a decline of 9.73 per cent.

At the same time it was estimated that on the showing for the eight months gross revenues for the full year would be in the neighborhood of $13,370,000, or about $1,200,000 less than in 1931.

The full operating statement for 1931 revealed a gross income of $14,574,918 down from $15,352,510 recorded in 1930. After taking care of expenses and allowances due to the company, there remained a balance of $507,918 to cover the annual track rental of $500,000 to the city.

U. S. Premium Burden

One of the heaviest burdens carried by the company last year was the payment on the premium on New York funds used to take care of interest and sinking fund on the funded debt totalling $48,997,300. With the exception of a small block these bonds all carry a coupon rate of 5 per cent, so that the premium paid on New York funds for interest and sinking fund in 1932 was probably in the neighborhood of $400,000. During 1931 the exchange on American funds cost the company an extra $196,698.

Savings for 1933

While the statement for 1932 is likely to be disappointing to shareholders, expectations are that earnings in 1933 will be on a somewhat better basis. In addition to the saving of $70,000 in dividend disbursements, some $500,000 will be saved through wage reductions as a result of the new agreement entered into between the company and the Montreal Tramways Employees Union. This new contract became effective at the beginning of the month.

United Securities Control

Investment interest in Montreal Tramways Co. lies largely in the bonds, for which there is a wide and

(Continued on page 2, col. 7)

Ottawa Loans 40 Millions To Four Western Provinces

From Our Own Correspondent

OTTAWA.—Federal loans to the four Western provinces now stand in excess of $40,000,000. In the first two weeks of December $3,750,794 of new money was loaned to the West, to meet principal and interest due upon provincial securities maturing at New York. In addition all Federal loans to the Western provinces made in 1931 have been renewed as they matured.

In March, 1932, the advances to the Western provinces stood at $22,431,923. In the eight months, April to November inclusive, an additional $15,000,000 in round figures was advanced from Ottawa, bringing the grand total as at November to $37,085,779.

December 7 the Federal government found $1,990,419 for Manitoba and the following day another $1,764,375 was found for British Columbia. These two loans bring the grand total of Federal advances to $440,840,573.

Power Utilities Hold Position During 1932 But Face Problems

Four of Ten Leading Companies Find It Necessary to Cut Dividends — One Reports Increase — Four Unchanged and One Eliminated

LOWER POWER SALES IS FEATURE

Expectations Are That Earnings Will be on Lower Scale for Major Operators — Interest Charges in American Funds Constitute Heavy Burden — Many Face Individual Problems

By JOHN E. LANGDON
Eastern Editor, The Financial Post

MONTREAL.—Conditions in the power utility field over the past 12 months have not been unsatisfactory, but financial statements of the major operators will, with hardly an exception, reflect lower earnings on capital stock.

Retail business has been maintained; in many instances has shown an increase. Commercial and industrial loads, on the other hand, have reflected the decline in general business and manufacturing activity so that sales in those two important divisions have not been as great as in 1931.

In certain cases the power companies have of necessity had to make larger provision for bad debts than was the case in the previous year. The burden of paying the premium on American funds, used in the payment of bond interest, has been felt by all the companies. The money thus involved has formed quite an item in the profit and loss accounts of all the companies and has had a direct bearing on share earnings.

Changes in Status

Of the ten leading power companies in the Dominion four have found it necessary to cut or eliminate dividends on their capital stocks. Four have maintained their distribution on the capital stock on the same basis as prevailed in 1931. One company passed its dividends before this year, while the other increased payment.

In view of the widespread investment interest in power securities, a brief examination of their individual positions at this time should prove of value and interest.

B. C. Power's Position

On the Pacific Coast, British Columbia Power Corp. has begun to show evidence of the changing in business conditions through a restriction of earnings. For the year

(Continued on page 4)

Calgary May Face Early Legal Action From Bondholders

City Fails to Meet Promise; Pays Principal in Canadian Funds

PROTEST IS STRONG

Reaction in New York is Unfavorable; Credit of Other Can. Borrowers May Be Affected

Institution of legal proceedings against the City of Calgary to enforce payment of that city's obligation to retire bonds due January 1, 1933, by payment in New York funds on demand by bondholders, appears to be a distinct possibility.

Suit will probably be brought by United States interests holding a good-sized block of the five per cent bonds due on the above date. Payment was tendered by Calgary on January 3 in New York in Canadian funds which were at a discount of 11⅝ per cent.

Calgary had to secure a loan of $372,000 from the Bank of Montreal to make up for deficiency in its sinking fund and permit payment of the principal amount of bonds due in Canadian funds. An additional $300,000 would be required to cover cost of exchange. The Federal Government, acting through provincial authorities, is reported to have offered a last minute loan of $300,000 on the security of 5½ per cent one year treasury notes to enable the city to meet cost of exchange. This was refused. A loan from the bank was also refused. Credit for 1933 operations is understood to have been withdrawn but taxpayers increased their tax prepayments to double those of the corresponding date in 1932.

The decision by the Calgary City Council to pay in Canadian funds only was made in the face of the contract made when the bonds were issued in 1914 and printed on the bonds that:

"The City of Calgary hereby promises to pay to the bearer of this debenture on the first day of January, 1933, the sum of $1,000 of lawful money of Canada, at the office of the Bank of Montreal, in Calgary, Toronto or Montreal, or $1,000 in gold coin of the United States of America of the present standard of weight and fineness, at the office of the said bank in New York City, at the holders' option with interest thereon at the rate of 5 per cent per annum, computed from the first day of January, 1914, payable half-yearly at any of the said places at the holders' option in like money on the first day of January and the first day of July in each year on presentation and surrender

(Continued on page 2, col. 2)

Action Forecast On Orient Dumping

From Our Own Correspondent

OTTAWA.—The desire of manufacturers for immediate government action to prevent the flooding of the Canadian market with low price textile products manufactured in Singapore and other British possessions of the far east, has become more urgent in the past week.

It is now reported to Ottawa that substantial orders are being booked. While a method of dealing with the situation has not yet been worked out, it is believed that the National Revenue Department will take steps this month to prevent wholesale slaughtering of prices in the domestic market.

Dominion Gas 1932 Earnings Ahead of 1931

Dominion Gas & Electric Co., which is controlled by American Commonwealths Power Corp. now in receivership, has paid interest on $8,000,000 first lien and collateral 6½ per cent bonds due 1945 and is understood to have provided semi-annual interest for $3,000,000 6 per cent 5 year gold notes due July 1, 1933, to International Untilities Corp.

Because of the difficulties experienced by American Commonwealths Corp., the question of control of Dominion Gas & Electric is very much to the fore for the next six months. Dominion Gas & Electric earnings are reported to have been in 1932 well in excess of earnings for 1931 and the prospects for 1933 are excellent. Receivers of American Commonwealths would like to keep the company but they will be faced with the necessity of paying $3,000,000 to International Utilities Corp. next July or letting the latter company take over.

International Utilities Corp. sold the company at a profit in the first place to American Commonwealths Power, and it is generally understood that it would be glad to get Dominion Gas back again under present favorable conditions as to price. If receivers of American Commonwealths decide to abandon Dominion Gas & Electric because of the difficulty of getting $3,000,000 by next July 1, it would not be surprising if an earlier arrangement for change of control might occur.

Stanley Realty Corp. Still Seeks Quorum

From Our Own Correspondent

MONTREAL.—Lack of a quorum of bondholders has held up plans for a reorganization of Stanley Realty Corp., which found itself unable to fulfill the provisions of the trust deed securing the first mortgage bonds. A meeting scheduled for last month had to be postponed, as sufficient bonds were not represented. Efforts continue to be made by the committee to secure proxies or the presence of bondholders in person so that approval may be secured of the plan put forward for the reorganization of the company.

LIQUID STATUS OF PROV. PAPER IS MAINTAINED

Dividends on Preferred Continued Though Earnings Down Somewhat

VOLUME LOWER

Receivership of Parent Company, Abitibi Power, Opens Interesting Questions

Early in February, Provincial Paper will present an annual report which is expected to show its liquid strength to have been well maintained in 1932 and its earnings to have been comparatively satisfactory in view of the lower volume of business and the decline in prices of fine paper during the course of the year. It is impossible to state exactly what will be shown as earned on the preferred stock until depreciation and various reserves have been written off and inventories revalued as of December 31, 1932.

In view of conservative management in the past, the fact that dividends at the full rate of 7 per cent have been paid regularly throughout the depression and that in all probability the next dividend will be paid as well, leads to hopefulness on the part of investors that the report, when it comes, will show the company's earnings not to have fallen far short of requirements and that dividends have been paid without essential sacrifice of current strength, to say the least.

Interest Paid in United States

So far as the bonds are concerned, the company has, in the past, given an excellent account of itself, not only with reference to the present bond issue of $4,900,000 5½ per cent series "A" first mortgage bonds due 1947, but with respect to previous bond issues. In addition, its dividend payments on preferred and common since 1916 have given the company an exceptional record among fine paper companies for stability and earning power. It had no bank loans at the end of 1931 and its investments of $1,069,176 included $800,000 of its own bonds. Sinking fund requirements beginning May 1, 1929, asked for $125,000 a year to purchase bonds in the open market up to the call price of 101 and interest. The company is in a position to anticipate sinking fund payments and receive credit for them in subsequent years. By this plan it is estimated that it should be able to retire 75 per cent of the issue by maturity.

The bonds are a specific first charge on all property of the company and a floating charge on all other assets present or future. The company has authority to issue additional bonds of $4,700,000 to the extent of 75 per cent of the cost or fair value, whichever is less, of additional properties acquired by the company. As the principal and interest is payable in Canadian currency at any branch of the Canadian Bank of Commerce in Canada or in United States gold coin at the Bank of Montreal, New York, at the holder's option it is evident that most holders would ask payment in New York, which would require additional money to pay the premium.

Abitibi Controls

In 1931 all interest was earned 3.77 times before depreciation and 2.57 times after depreciation and this was the lowest earning which we note in considering the financial statements of seven years. Similarly the preferred stock in that year earned $9.29 a share and paid $7, and the common earned 80c. a share. Earnings may be somewhat down this year, as fine paper prices were reduced, and there may be nothing shown on common stock.

One item which needs to be taken into consideration is that the entire issue of common stock is held by Abitibi Power and Paper Co., which is now in the hands of a receiver and for which a trustee has been appointed. The old management of Abitibi Power still continues and two of the officers are on the directorate of Provincial Paper. The last balance sheet showed no other

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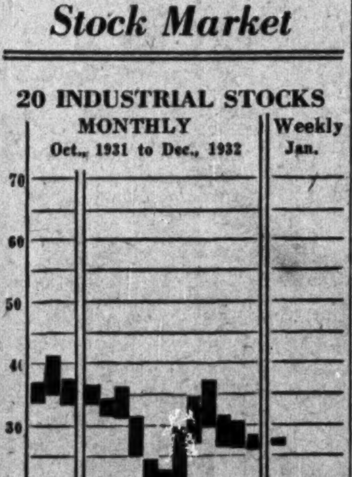
Stock Market



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Jan. 3	27.3	26.2
Week of Dec. 27	27.0	25.9
Month of Jan., 1932	35.2	32.5
8 Bank Stocks		
Week of Jan. 3	163	160
Week of Dec. 27	162	160
Month of Jan., 1932	210	210
10 Public Utilities		
Week of Jan. 3	46	44
Week of Dec. 27	46	44
Month of Jan., 1932	54	51

Highlights of the Week

Events and Topics That Make Articles for The Financial Post This Week

Calgary's Case

Should Canadian borrowers meet the letter of their bond or is Canadian money good enough for New York lenders? A comprehensive study of a question affecting every Canadian taxpayer. See "The Nation's Business" column, page 1, and news story on page 1.

Moratorium

Supply of money for mortgage loans dries up as governments talk recklessly of moratoria. Page 1.

Light in Wheat

Better world outlook for wheat as new year opens. Given any economic recovery in world, the wheat position would improve rapidly. A thorough review by our grain editor. Page 13.

Light that Failed

W. H. Moore, M.P., discusses the reason why so-called Capitalism is not functioning well. It's a case of too much Socialism. Page 9.

Buying Power

First authoritative estimate of Canadian buying power based on 1932 production. Decrease of 21 per cent from 1931 estimated by our business editor. Page 7.

Mine Thumb Nails

Arno and Newbec scrutinized in brief sketches by our mining editor. Page 10.

Outside Money

Canada repaid part of her foreign and British investments during 1932. With an estimate of outside capital invested in Canada at January 1, 1933. Page 9.

Power Stocks

Outlook for leading public utilities in 1933 reviewed by individual companies. Page 1.

Golden Tide

Canada's gold mines add $70,000,000 yearly (Canadian funds) to our wealth. Page 10.

Railway Passes

The eighth article in our series on the Duff report discusses frankly the vexing question of free railway passes. Page 4.

Central Bank

It is not needed if control of exchange rate is to be its chief purpose. Present banking system can do that if it is needed and or wanted. So argues Canadian Banker. Page 9.

Nation-Wide Concern Is Excited by Reports Moratoria Intended

Officials of Large Lending Organizations Feel Provincial Premiers Should Make Plain That Interests of Policyholders, Depositors and Debenture Holders Will be Conserved

GOVT. LOAN BOARDS FACE LARGE LOSSES

Important officials of lending organizations in various parts of Canada tell The Financial Post that in their opinions provincial premiers should make clear in no uncertain terms that they will not father or tolerate moratorium legislation at the next sessions of their respective legislatures. Widespread concern has been created among hundreds of thousands of policyholders in insurance companies, of lenders, of depositors and holders of investment certificates or debentures in trust, loan and mortgage companies, because of the use of the word "Moratorium," in reports of Premier Henry's recent announcement that changes in legislation are pending and because of the uncertainties attending expected legislation in other provinces.

It is not credited by institutions that governments intend anything so drastic and unsound as the majority of half-baked proposals for general deferment of interest and principal, cancellation of arrears, lowering of interest rates and principal amounts and the thwarting of right to proceed against delinquents, but great harm can be done if the public believes it, and thousands of people get the idea that it is not necessary to pay their debts.

Governments do not stand in nearly so difficult a position politically with regard to unsound proposals of this kind as many politicians think. Some of these have urged that there are more borrowers than lenders, more mortgagors than mortgagees or people depending on mortgage investments. As a matter of fact the contrary is the case.

Lenders Exceed Borrowers

The Financial Post discussed this question recently with an official who has made a statistical analysis of the situation.

"The truth is very different," he said. "The average mortgage is for an amount of about $4,200. The average paid-up interest of a policyholder runs at about $500 so that there are about eight policyholders to one mortgagor. The average deposit in a lending institution is under $400 so that the investment of a large lending institution in the average mortgage of $4,200 represents the savings of about ten people. There are far more people dependent on mortgage interest and principal payments being kept up than could possibly be benefitted by a moratorium on interest and principal payments or by a policy which intervenes between the borrower and the lender except to prevent undue harshness and to see that essential justice is done."

Every problem of government would be complicated with a moratorium. The immense sums which have been lent direct to farmers in

(Continued on page 16)

Wineries Dividend Paid Despite Many Handicaps

Bootlegging on Vast Scale Develops as Result of Excessive Grape Crop — Big Wineries Forced to Pay Arbitrary Price of $40 a Ton

Canadian Wineries, in paying a dividend of 10 cents a share, is fulfilling the expectation created when it passed the last quarterly dividend on the ground that it was better to pay more money less frequently than such a small amount as five cents a share quarterly. The present dividend is the second in the company's year, the first one of five cents a share being paid on July 15, 1932. Both of these dividends are covered by earnings.

The company continues to make progress in spite of the double handicap in its endeavor to get its brands recognized that it is not able under the Ontario law to advertise its products and that it was obliged along with the other principal wine manufacturers to pay $40 a ton for grapes during the last harvest while grapes for other purposes sold at about $15 a ton and even less.

Bootlegging Grows

This duress is exerted on behalf of the growers by the Liquor Control Board of Ontario, according to common knowledge, and this action in restraint of trade is having its logical effect. The grape crop being more than twice what the wine makers can take has resulted in large quantities of native wine being made by growers themselves under uninspected conditions. The wine thus obtained is being bootlegged through Ontario at very low prices and though the bootlegging is on such a scale apparently nothing is being done about it by the board because it originates with growers.

Will Make Stand

It becomes apparent that wine companies will in self-defence make a stand against paying an arbitrary price that takes no account of market conditions. Some wine companies are reported to have paid the same grower $40 a ton for grapes for wine-making and $15 a ton for the same grapes to make grape juice. It is expected that old customers will get preferred prices for grapes of much-wanted varieties but a double price for Concord can scarcely be expected for another season. Even last season small wine-makers refused to pay any attention to the government figure and bootleggers not needing Liquor Board facilities can snap their fingers at it.

Difficulties of Canadian Wineries in Ontario are probably increased by a ruling of the Liquor Control Board that the company's brands should be listed under the names of operating subsidiaries, principally Dominion Wine Growers and Stamford Park Wine Co. The company has been trying to develop quality products and reports some success in spite of the prohibition against advertising its brands or listing products under its own name.

DOM. TEXTILE MILL ACTIVITY BELOW 1932

Industrial Output Steady—Wearing Apparels Move Slowly

CREDIT POLICIES

Recent Changes Nullified and Old Terms Extended —Affiliate Faces Competition

From Our Own Correspondent

MONTREAL.—Dominion Textile Co. has entered its last fiscal quarter with general activity at slightly lower levels than obtained at this time last year. Industrialized business, though restricted, is fairly steady and tire fabric manufacturing has shown a pick-up recently. But orders for textile apparel are not as active as they might be and the print works at Magog, which were inundated with business early in 1932 are operating at a lower rate than last year.

No figures have been issued on earnings for the nine months which ended December 31, 1932, but observers of the industry estimate that they were likely somewhat below the same period last year. Prices today, after several variations, are back to about levels of this time in 1932. Raw cotton has sunk to around the 6 cent mark after noteworthy gains which carried prices up to 84 per cent from the low year's low to above nine cents a pound. Dominion Textile Co. revised its price lists to the trade upward in the summer but values have been lowered with the decline in raw cotton.

Credit Facilities Extended

Noteworthy in current operations in the trade is an extension of former credit facilities by the manufacturers for the current season. Last fall it was announced that the old method of spring dating March 25 and fall dating October 25 would be abolished and that in future sales would be handled on a basis of 2 per cent discount with payment on the 10th of the month following and 60 days net. This indicated a sharp contraction in credit, since wholesalers who previously has been carried into the spring found themselves obligated to pay for deliveries on the 10th day of each month.

It was felt by the manufacturers, however, that in view of financial conditions and also since short notice had been given of the change, that a reversion to the former routine would be beneficial. With the old rate in effect for the current season at least, sales for spring delivery may move faster than has been the case up to the present.

Faces Competition

Though tire fabric subsidiaries are showing some improvement in recent weeks, operations of another company, Montreal Cottons, are reported to be on a less satisfactory basis. This company, which operates one of the largest individual cotton mills in the world, is bearing the brunt of competition from imported goods. Montreal Cottons has an output which includes high-grade fancy materials and weaves and, lacking the backlog of orders for industrial purposes which stands the Dominion Textile in such good stead, has felt the effects of competition from abroad.

Earnings in the fiscal year ended December 31 are not expected to be sufficient to cover dividends paid on the common stock. Dividends have been maintained on the common shares of Montreal Cottons at the rate of 6 per cent despite the fact that they have not been earned since 1927. The disbursement on the $3,000,000 of preferred and $3,000,000 of common amounts to $390,000 annually.

Had Loss Last Year

In 1931 operations of Montreal Cottons resulted in a loss of $246,840 and there was a deficit of $554,393 after all charges. Surplus brought forward was $383,-

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how easy for a man

To MAKE or MAR

THE EVENING'S PLEASURE

Perhaps it's a white tie which stubbornly refuses to look its best, or a shirt which contracts unaccountably a case of bad dimples in the bosom—all calculated to arouse irritation in the man who wishes to appear to advantage.

Eaton's Men's Furnishings Shop can banish this evening bogey. No matter how much you can, or cannot, afford to spend on evening accessories this men's shop can satisfy the most exacting demands of those who nightly sally forth on pleasure bent.

Faultlessly correct style in a wide price range makes this one of the most modern men's shops in town.

EATON'S
MEN'S FURNISHINGS SHOP

White Dress Ties	75c.
Black Dress Ties	$1.00 and $1.50
Dress Socks	75c., $1.50 and $2.00
Dress Shirts	$3.00
Dress Suspenders	$1.00 to $2.00
Dress Scarves	$2.00 to $4.00

And a wide range of Dress Studs, Links and complete sets.

—MAIN FLOOR
YONGE & QUEEN STREET

THE T. EATON C^O LIMITED

Plan Big Matchwood Cut

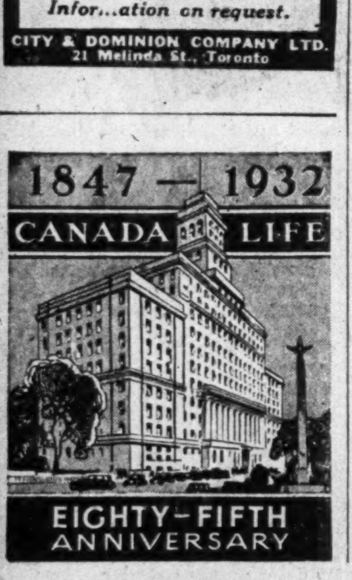
If present plans mature, it is expected that an extensive matchwood operation, involving a cut of 5,000,000 feet of white pine for match stock, will result from operations already under way in York and Charlotte counties of New Brunswick by State of Maine lumbermen. It is proposed to cut the stock in portable mills for shipment to the Diamond Match Company at Mattawamkeag, Maine.

CORPORATE INVESTORS LIMITED

Your funds invested in this Company's shares secure an interest in a balanced list of wisely selected highest grade securities.

Information on request.

CITY & DOMINION COMPANY LTD.
21 Melinda St., Toronto



1847 — 1932
CANADA LIFE
EIGHTY-FIFTH ANNIVERSARY

CALGARY MAY FACE EARLY LEGAL ACTION FROM BONDHOLDERS

(Continued from page 1)

of the coupons hereto annexed, as they severally become due and payable, or upon satisfactory proof of ownership and indemnity in case of loss.

"This debenture and the interest thereon are direct obligations of the corporation of the city of Calgary, and the principal and interest thereon are additionally secured by the special rates charged, levied and imposed upon and to be collected under the several by-laws consolidated by by-law No. 1468 and under by-law No. 1649 and the funds from time to time representing the same."

Refusal by Calgary to meet the $2,243,000 principal amount of the 5 per cent debentures maturing January 1 in New York funds is regarded by investment bankers as repudiation rather than default. It is pointed out that while most of the countries in South America have defaulted on their bonds there has not been one case of repudiation of debt. Default indicates inability to pay, while repudiation indicates unwillingness to pay. It is understood that sufficient banking credit would have been extended to Calgary to permit payment to have been made in New York funds. As it is the city may easily lose in case court action is taken by bondholders, in which case it will lose the exchange on New York funds that it has tried to save as well as costs of the case, while the credit of the city will be damaged seriously.

Oppose Calgary Action

Canadian bankers and bond dealers are strongly against the action taken by Calgary. The city attempted to secure gold at Ottawa at par and was refused by the Dominion Government, which obviously could not make an exception for Calgary which would surely be followed by demands from other Canadian municipalities. It is understood that the Federal Government undertook to exert pressure on Calgary through the banks and the statement made by Premier Bennett on January 1 that "Canada will pay her own debts according to the letter of her contracts. That is our attitude to our own obligations," may have been inspired in some degree by the international protests arising from Calgary's attitude.

The stand taken by bond dealers throughout Canada is quite definite and is crystallized in a statement made by Col. J. G. Weir, president of the Investment Bankers' Association of Canada, to The Financial Post. It is understood that the protest made by the Investment Bankers' Association direct to Calgary as well as a protest made to the provincial authorities remains unanswered. Col. Weir's statement to The Financial Post is as follows:

"Any saving in exchange which Calgary may make by her refusal to pay her present maturing obligations in New York funds will probably be more than made up in the cost of future borrowings represented by a higher rate of interest and lower prices which she will get for her bonds. Furthermore, it is not only Calgary which will be affected by such action. Owing to the size and importance of this city, a default of this nature will be given wide-spread publicity. Already the effect of Calgary's action has been reflected in a decided lack of interest on the part of the investor, and lower prices for her bonds not only in Canada but abroad.

"It must be borne in mind that many people believe the present difference in the value of the Canadian and United States' dollar is not likely to be anything but of a temporary nature and therefore, the burden of increased taxes necessary to meet the premium is one which may not continue for any great length of time. The effect of the default, however, will be felt for many, many years and the consequent higher costs of financing will result in corresponding increased taxes for a much longer period than that caused by the present temporary exchange situation. Many of our governmental bodies borrowed in London in years past and these loans are repayable in sterling only, so that those who have loans of this nature save as much or more through taking advantage of the discount on sterling as they lose through payments in United States funds.

"A default such as this, which can be avoided, is obviously short-sighted policy because it is very costly not only to the city concerned but to the whole country. Canada may be a borrowing nation for many years and, as such, should guard her credit jealously both at home and abroad. Evasions of contract are very seriously regarded by lending nations and will practically close foreign markets to us for years to come, not only for new borrowings but will bring about selling of outstanding issues which will further depress our markets. This may cause interest rates to rise sharply in this country. Higher interest rates on debentures and bonds will be followed by higher mortgage and commercial rates—all of which means higher taxes and is a deterrent to recovery from the present depression."

The implication of the virtual repudiation by the City of Calgary in meeting obligations due January 1 in Canadian funds only are such and the effects may be so great, that investors in Canada and the United States are following the situation closely. Should the Calgary precedent be followed by other hard-pressed municipalities, investors can be expected to take immediate action and Canadian municipal bond prices, at least, may weaken to a considerable extent.

The fact that the great majority of Canadian cities have met their obligations promptly and that Calgary is practically the first municipal borrower to refuse payment in New York funds where such was specified on the bond, will have little stabilizing effect on foreign investors if the Calgary precedent appears to indicate a trend. Confidence in Canadian municipal issues, even provincial issues, will be shaken.

The immediate effect of a city refusing to meet interest obligations due in New York funds but paying Canadian currency would be a drop in price of the bonds in the New York market, which would compensate for the discount on the Canadian dollar. While there appears to be no possibility of the Dominion following such action the effect on the Dominion of Canada 5's of 1952 might be taken as an example. Recently these bonds have been selling in New York at 97 to yield 5.2 per cent. If interest were to be paid in Canadian funds only at a time when the Canadian dollar was at a 15 per cent discount the price of the bonds would decline to approximately 85, at which price the actual yield would still be 5.2 per cent. In addition it is probable that large institutional investors would sell their bonds and further depress prices. Weakness in Canadian issues in New York would be reflected in Canadian markets. Yields on municipal bonds in general would go higher and of new municipal financing could only be effected at higher cost. It might be difficult or impossible to sell municipal issues in other than the domestic market and an important source of capital would be eliminated for possibly a lengthy period.

New York Attitude

The effect of the Calgary action on investors in the United States is indicated in some degree by the following excerpt from a letter sent out by one prominent New York brokerage firm on December 23:

"The decision of Calgary, Alta., to pay bond interest due in the United States in Canadian currency and not in gold or in Canadian dollars as provided in the bonds, may be regarded as a test (with the tacit approval of the Canadian government and the Canadian bankers) to find out what effect this radical action will have upon Canadian credit in the United States. If this theory is correct it may result in the payment, in Canadian currency, of all interest on Canadian dollar bonds held in the United States and that practice may be extended to the paying off of maturing principal.

"Should the example set by Calgary be followed by other Canadian provinces and municipalities, there would probably result a considerable decline in the market price of Canadian high grade bonds. Theoretically, the Canadian dollar bonds should decline under these conditions (barring a strengthening in the Canadian exchange market) to a point where the Canadian bonds involved would sell on a yield basis which will allow for the approximate depreciation in the Canadian currency in the United States.

"We believe that this situation should be watched closely for further developments and would suggest the sale of high grade Canadian bonds payable, principal and interest, in American dollars if the example set by the City of Calgary shows any signs of spreading."

While Calgary is not a relatively important borrower, the fact that it is one of the principal cities in Western Canada gives weight to the act of repudiation in the eyes of foreign investors. A review of the bond market prepared by Houston, Willoughby & Co., which appeared in The Regina Leader-Post of December 24, contains the following interesting view of the situation prepared by a bond house closely in touch with Western conditions:

"The attitude of Calgary's council toward the whole matter appears to be rather puzzling. If the city persists in its determination to default on the letter of the obligation, there will undoubtedly be a test case launched immediately and the results may be quite embarrassing to the city of Calgary.

"Strangely enough Calgary's financial record has been rather a peculiar one. Of all the principal cities of western Canada, its sinking fund alone has been in deplorable state over the years and while during the past ten years some strenuous efforts have been made to get the sinking fund paid up it is still substantially in arrears and in this way compares most unfavorably with cities such as Vancouver, Edmonton, Regina, Saskatoon, Moose Jaw and Winnipeg. Undoubtedly cities, like people, develop characters, and Calgary seems to have failed to follow the sound practices of its western sister municipalities in years gone by.

"The city of Calgary appears to be proceeding against the best advice of its bankers and it seems the more strange as possibly no city in western Canada has had comparatively greater current advances from its bank to prosecute unemployment work than has Calgary. Developments which follow a determination to default on January 1 will certainly be highly interesting."

While borrowing by Canadian municipalities in New York has been impossible during the past year an important part of municipal borrowing during the past 11 years has been secured in that market. The proportion has ranged as high as 41 per cent in 1927 and in each year a still larger proportion of the municipal bonds sold have been made payable in the United Stated as well as in Canada and many Canadian institutions purchasing such bonds have done so with the object of using such bonds as deposits in various states of the Union. The volume of municipal financing from 1922 to 1932 together with the percentage of the total placed in Canada and placed in the United States is as follows:

Year	Total Municipal Financing $	Percentage of Total Placed in Canada %	United States %
1922	87,088,877	73.9	27.1
1923	83,686,422	65.2	34.8
1924	88,731,612	68.5	31.5
1925	51,790,563	96.1	3.9
1926	70,494,109	72.6	27.4
1927	78,884,106	59.0	41.0
1928	28,658,185	97.5	2.5
1929	*115,534,456	72.5	18.4
1930	114,034,507	79.0	21.0
1931	86,679,674	75.4	24.6
1932	†84,243,374	99.9	...

*Of this total 9.1 per cent, or $10,450,000, was placed in Great Britain.

†Of this total $100,000 was placed in Great Britain.

A recent estimate places the funded debt of all Canadian municipalities at $1,323,000,000, of which some $315,000,000, or 23.8 per cent, is payable in United States funds; $914,000,000, or 69 per cent, is payable in Canadian funds, and $94,000,000, or 7.2 per cent, is payable in sterling. The various provinces have direct obligations of some $1,171,000,000, of which $770,000,000, or 65.7 per cent, is payable in United States funds. The funded debt of all classes of Canadian borrowers from the Federal Government down to corporations is estimated at $7,602,000,000, of which 42.8% is payable in United States funds, 47.6 per cent in Canadian funds and 9.6 per cent in sterling.

In view of past experience it is held by investment bankers that Canada must be dependent, in some degree, for some years to come on foreign capital. Loss of confidence on the part of foreign investors in the readiness and ability of Canadian borrowers to meet their obligations would seriously limit the extent to which foreign credits would be forthcoming and the cost of securing loans abroad.

Special Toronto-Florida Car

A special through Pullman car will leave Toronto via Canadian Pacific, Pennsylvania and Seaboard lines for Palm Beach, Miami, and intervening points, at 8 p.m., Saturday, January 14th.

At Washington it will be attached to the famous "Orange Blossom" Florida special.

By taking advantage of this, changes at Buffalo and Washington with tedious wait-overs are entirely avoided.

For special low price return tickets, for an eighteen day or longer stay in the South, and reservations, apply to any Canadian Pacific or P. R. R. offices.

THE DOMINION BANK ESTABLISHED 1871

YOUR BUSINESS ACCOUNT
is Invited

Founded in 1871 this Bank has in the course of over 60 years developed intimate association with very many successful Canadian business enterprises. This experience is embodied in the services we make available to you.

These services include Canada-wide collection facilities, confidential credit information, close contact with our own offices in London and New York, and ready access at any time to our executives for consultation.

THE DOMINION BANK
ESTABLISHED 1871

377F

Direct wires connect our Head Office in Toronto with Montreal and New York

The Nation's Business

(Continued from Page One)

formulae; that he is ready to admit that deflation cannot be stopped by legislative props; that he is appalled by the consequences of some of his own efforts to promote prosperity artificially. One may be reading too much between the lines but if there is any reason for believing that the head of our government has finally realized that the cure for excess government, onerous legislation and high taxation is not more government, more legislation and more taxation, then there is greater hope for recovery in the new year.

* * *

FROM the time he assumed the responsibilities of guiding Canada through economic crisis Mr. Bennett has displayed courage, industry, integrity, sympathy, and confidence in his own personal judgments. These are high qualities in a statesman. In Mr. Bennett they have been matched in equal force by the qualities of vindictiveness, lack of economic foresight in spending the public's money, autocratic decision, and vacillation in policy. Mr. Bennett shows as much courage and honesty in doing the wrong thing as he does in doing the right thing. To his credit stand some notable conquests such as the Imperial Conference agreements; at debit stand some colossal super failures such as his unemployment relief schemes, his wheat guarantee. One could speak of these as standing to the credit or debit of his government but he is the government. Mr. Bennett has willingly accepted the responsibilities that fall upon the dictator without giving Canada the sound though perhaps immediately unpopular economic policies for depression that would provide us with the only good excuse for having a dictator.

It is in the light reflected from such a critical but not unfriendly picture of Canada's prime minister that his New Year's message can best be read.

* * *

"PEACE," says Mr. Bennett, "was made by a world that was lost in the wilderness it had created." The prime minister is wise to begin his story of the world depression and the attempts at recovery with the War, which in the minds of the panaceaists of the crisis is the forgotten factor.

"It would be folly to claim that we were consistently wise in our efforts at world recovery. . . All too soon we had to face a great disillusionment," the prime minister's message goes on to say. Mr. Bennett is speaking of the international post-war period and not of Canada. A Canadian statesman of whatever party persuasion might speak with equal humility of Canada in particular in the post-war years, for have we not, from coast to coast, attempted to stave off the inevitable post-war economic readjustment by State paternalism and bureaucratic meddling, whether under Liberal governments or Conservative governments?

But Mr. Bennett, after his hurried and critical glance at the larger world, comes down to the Empire and speaks with justifiable hope and pride of the Imperial Economic Conference at Ottawa. Then he comes down to Canada in particular and makes the striking statement that "we must frankly consider the consequences of continued non-productive spending in unemployment relief." Here we have a significant clue to Mr. Bennett's final abandonment of the notion that the federal government can make Canada prosperous by the profligate spending of the taxpayers' funds, an idea which was introduced to Canada by Fabian Socialists from England and strengthened by the example of ignorant Congresses across the border.

* * *

MR. BENNETT again reads a lecture to some of his own colleagues who are honestly convinced that inflation will aid Canadian producers. He confesses to some old-fashioned prejudices against monetary nostrums.

He urges those possessed of capital now to turn it to productive use and he hints at his belief that the period when such adventuresome investment of private capital will be renewed and enable governments to give up the task of supporting the unemployed.

And with that we come to the most impressive feature of Mr. Bennett's whole message. If the prime minister has reached the point where he is prepared to base his policies—and that means the policies of the federal government and all the provinces that are beholden to it for financial assistance—upon the premise that encouragement should be given to private capital and individual initiative, then indeed progress toward recovery in Canada will be delayed only to the extent that other nations are slow to follow our example.

Less government in business, less extortion of funds from the citizen taxpayers, less bonusing of certain sections of the population at the expense of others, and a larger scope for the real constructive brains and energy of the country to function—these are the most important desiderata to recovery.

Barometer-Smashing Is of No Help

ONE of the barometers which has registered the progress of the economic storm as raging around the world for several years has been the Winnipeg wheat market. Some of the advocates of a national wheat board to take over the marketing of the Canadian wheat crop appear to think that the barometer is in itself the cause of the storm, and if they are only allowed to smash it, they can assure themselves of better weather ahead. It is quite possible that a similar delusion has in the past been shared by some of the passengers of a ship at sea, but it is doubtful if anyone ever aspired to take command of a ship on the basis of such a performance. And, unfortunately, even if barometer smashing were the cure for bad weather, it would not be possible to reach them all. There would remain other barometers, including the Liverpool wheat market, and markets elsewhere and for other commodities which would still indicate the existence of an area of depression in world weather.

* * *

SOME advocates of a national wheat board may believe honestly that such a scheme may be put forward as a merely temporary measure But its most pressing proponents undoubtedly know better, and know that such a scheme, once launched, could not be easily dropped. The disruption in commercial channels that would be caused could not be so easily repaired when the inevitable disillusionment came. And it would be contrary to all precedent if the people established in pleasant jobs on such a board could not dig themselves in permanently, and convince first themselves and then others of the inevitability of their continuing in office. Almost inevitably a wheat board would provide itself with a system of elevators, and nothing could better ensure its continuation as an institution than extensive physical facilities to be looked after, unless it should be an extensive debt to be perpetuated. True, such a plan would enable the three western provinces to unload on the Dominion government their responsibilities in connection with the wheat pool systems of elevators, which in essence now they own. The taxpayer in the western provinces might thereby find some measure of relief, but the taxpayers of the other provinces would hardly be enthusiastic.

* * *

Saskatchewan Creates a Job

BECAUSE the Dominion government would not do so, the Province of Saskatchewan has now appointed an officer whose duty it is to solicit traffic for the Hudson Bay Railway. Leaving aside the question as to what economic advantage can be derived by Canada just now by diverting traffic to this line which otherwise would move by other railways, and by diverting from railway revenue to marine insurance companies a good deal of money, this project is one that the Government of Saskatchewan might have left alone on other grounds. There are enough problems before every government in Canada to encourage each to attend strictly to its own business, and to avoid any more unnecessary duplication of functions. It is more than absurd now for any government to interfere unnecessarily with the sphere of any other. In due course, if the people of Saskatchewan find the Dominion government at fault for not attending properly to its duties, they can vote it out of office. In the meantime, if the Province of Saskatchewan will avoid such unnecessary expenditures, it will not have to lean quite so heavily upon the government of Canada.

Maintaining
A Long-Established Position

When the Dominion of Canada was established in 1867, the Bank of Montreal had nearly a fourth of the total paid-up banking capital of Quebec and Ontario, and more than a fourth of the banking assets of those provinces.

Today it has the same proportion of the capital and assets of the banking structure of the entire Dominion.

Today, as yesterday, it employs its resources and facilities to build sound Canadian business.

BANK OF MONTREAL
Established 1817

HEAD OFFICE MONTREAL

TOTAL ASSETS IN EXCESS OF $750,000,000

LIQUID STATUS OF PROV. PAPER IS MAINTAINED

(Continued from page 1)

inter-company items and The Financial Post understands that there has been no change during 1932 as a result of Abitibi's receivership. This is a matter which should be made plain in the next financial statement of Provincial Paper. Any consolidated statements which may be made with reference to Abitibi Power and Paper Co. by the protective committee or the receiver in connection with reorganization plans which may be submitted to Abitibi bond holders will be watched closely because the common stock control may be considered a distinctly realizeable asset by receiver, if he needs money for Abitibi purposes. The Financial Post is informed that there has been no interference with the conduct of Provincial Paper as a result of Abitibi's troubles.

Will Abitibi Continue Control?

So long as Abitibi Power & Paper Co. is in receivership the possibility of control of Provincial Paper going elsewhere cannot be laid aside. Only in case of Abitibi being destined for a wholesale merger under the Beatty plan being formed is such an eventuality likely to be considered. If Abitibi is to come out of the receivership under any plan that permits it to develop its full potentialities there is little doubt but that officers would like to keep control of Provincial Paper.

Holders of Provincial Paper preferred shares are entitled to vote whenever the dividends are in arrears for four quarters. During the time of arrears they would have equal voting rights with common shares.

Many enquiries have come to The Financial Post, because of the Abitibi receivership, from people who want to know whether or not it is reasonable to expect that at least the bond interest will be paid. All that can be said is that there has been nothing in financial statements or announcements so far given to the public either by this or the parent company to indicate any impairment in the operating or financial position of the company. Preferred dividends, of course, are always vulnerable in a time such as this when competition is keen and sales of products must be made on very close margins. Dropping out the preferred dividends at any time would give the company another $245,000 margin to operate on in addition to the annual depreciation allowance of $250,000, which has been written off in recent years. That gives the bonds considerable leeway.

MONT. TRAMS EARNINGS OFF IN LAST YEAR

(Continued from page 1)

reasonably active market in the United States and Canada. The first and refunding mortgage bonds, of which $21,351,000 were outstanding at the end of last year, are currently quoted around 96 to 97. The general and refunding mortgage bonds have not held up as well, the market being around 76 to 77. In the case of both bonds, and all series, principal and interest are paid in New York funds.

Little public interest exists in the common stock, of which $7,000,000 has been issued. Majority control is held by United Securities, which in turn is jointly controlled by Shawinigan Water and Power Co. and Montreal Light, Heat and Power Consold. Approximately 52 per cent of Tramways' common stock is owned by United Securities. This stock is currently quoted at 100 to 105, compared with a high of 150 and a low of 90 in 1932.

DOM. TEXTILE MILL ACTIVITY BELOW 1932

(Continued from page 1)

724. The whole plant has been thoroughly overhauled in the past two years involving expenditure of nearly $1,000,000 but full reflection of benefits to be achieved have not yet been witnessed.

Dominion Textile's quarterly dividends of $1.25 a share comprise 75 cents from operations and 50 cents from investments.

Textile Earned $4.44

Despite difficulties encountered in the fiscal year ended March 31, 1932, earnings of Dominion Textile Co. were nearly sufficient to cover common dividends of $5 a share. Net earnings from operations were $1,071,254, a drop of $14,000, but income from investments at $562,272 was down $159,000. Total income was $1,333,556 compared with $1,503,359 in the previous year. After charges common share earnings were $4.44 against $5.06 in the previous year.

One encouraging factor in viewing Dominion Textile's operations this year lies in raw cotton prices. At the beginning of the current year raw cotton was 6.10 cents a pound; or approximately today's level. At the beginning of the previous fiscal year raw cotton was 10.70 cents and the company had to absorb this decline in its inventory values at the end of last year.

Quebec to Cut More Wood

The amount of wood cut on Crown lands in the Province of Quebec this winter will probably exceed last year's cut by 150,000,000 feet, board measure, according to the Hon. Honore Mercier, Minister of Lands and Forests for the province. Timber cut on these Crown lands last year amounted to about 600,000,000 square feet, board measure. Upward of 17,000 men will be employed in the woods on this work during the season.

SIMPSONS
Is Ready to Spend
$1,000,000 Extra
For Merchandise During January to Speed Up Employment

◆ ◆ ◆

NOTICE TO
CANADIAN MANUFACTURERS

◆ ◆ ◆

THE SIMPSON STORES are preparing a series of "Speed-up" sales for January. The object of these sales is to speed up employment.

The goods are to be passed on to the public without any overhead costs whatsoever. Only the cost of wages and supplies will be added by Simpsons. Already a number of Canadian manufacturers have co-operated by supplying Simpsons with merchandise without any overhead charges.

Simpsons takes this means of advising Canadian manufacturers that this great opportunity to speed up employment is open to all Canadian factories and extends a hearty invitation for their co-operation in this drive to create additional jobs for Canadian workers during January.

Manufacturers who wish to co-operate are asked to communicate with our buyers in Toronto or Montreal at once.

THE ROBERT SIMPSON COMPANY LIMITED
Toronto and Montreal

RETURN TO NORM WILL NOT BE SWIFT SAYS E. W. BEATTY

Prospects for Railways Reviewed in Annual Survey

HOPEFUL OF FUTURE

Need for Economies Stressed — Public Attitude Analyzed — See Signs of Encouragement

From Our Own Correspondent

MONTREAL.—Return to a normal state of affairs will not be a swift process, but long before it is clearly discernible the slack of unemployment will begin to be taken up and the worst of present troubles will have receded into the background.

This is the view expressed by E. W. Beatty, chairman and president of the Canadian Pacific Railway Co., in his annual review of Canadian economic conditions generally. General prosperity will develop and become permanent, he says, only so fast as we are able to adjust ourselves to the new conditions prevailing.

Realize Gravity of Affairs

The review covers a wide range of topics, railways, government expenditures, international debts, etc. In dealing with the mental attitude of the public toward the depression, Mr. Beatty has the following to say:

"A year ago most of us were in a state of bewildered wonderment as to what had happened, and one thing we were sure of was that it could not last much longer. Since that, event after event of an economic nature has forced home upon our people a far sounder realization of the gravity of the situation and the imperative need for mental, physical and economic adjustment to the changed conditions. That was the first step toward rehabilitation that had to be achieved, and nothing much could be done until the move in that direction was decisive and effectual. Something along this line had been accomplished by the beginning of 1932, but in the light of what has happened since we can now see how far it fell short of what had to be done. During the past year progress has been most important. Indeed it has gone so far that I conceive it possible that in many directions the point of upturn has either been reached or is near at hand. Business institutions and individuals have been forced to re-organize their affairs until they have brought them to a position where anything in the nature of a recovery in business volume would be handled with directness, economy and efficiency such as would not have been possible in the flamboyant days that preceded this so-called depression."

Need for Economies

The matter of public and governmental expenditures has been one engaging the closest attention of taxpayers for some time. It is realized that the growing charges of governmental services cannot continue to be met indefinitely by a tax-burdened people. There has been increasing agitation for economies and in Mr. Beatty's opinion, failure to meet and satisfactorily deal with the situation may easily mean national insolvency and will certainly retard any possible return to a reasonably full measure of prosperity. While admitting that much has been done to curtail public expenditures and co-ordinate and reorganize public activities so that they may be placed on a basis which a population of 10,000,000 can afford, Mr. Beatty thinks that much must be done before the country's affairs are on a sound economic basis. He says further:

"Over the past year, far from having decreased our public indebtedness, we have added to it. The call for assistance to the unemployed and their families, under present circumstances, rightly demands first attention. But no less inevitable are the demands for payment of interest charges on increased national indebtedness that, as a result of industrial and commercial depression and past disregard of ordinary business principles, could not have been averted. The nation's annual interest bill is mounting steadily and has done so for many years, a statement that is equally true of Dominion, provincial and municipal affairs. It is the corporate and individual taxpayer who has to pay these, and since the Canadian Pacific Railway Company pays yearly the country's largest tax bill, I may be allowed to lay particular stress upon this point which I consider calls for earnest study at the present time. Government bodies have not failed to recognize the urgent need for curtailment of expenditure and have made courageous if belated moves toward stemming the tide. This may be accounted as constructive progression in the right direction, and if our people have been brought to give serious consideration to this phase of the national economic situation, it is further evidence that we have set our foot upon the road leading to economic re-establishment."

Railways Are Problem

The railway situation retains its place as Canada's most imperative domestic problem, believes Mr. Beatty, who says that if the railways over the next ten or fifteen years are to live anywhere within their income, economies will have to go very much further than has yet been considered by a great number of people who have not as yet had an opportunity of informing themselves upon the situation.

Reference is made to the competition of buses and trucks, as well as the free use of canals built at a cost to the country of over $430,000,000. For years the railways have been impelled toward large capital expenditures and at the same time competitive transportation agencies have been built up and maintained out of public funds. Having in mind the probable course of economic events over the next few years, Mr. Beatty stresses the need for a fundamental change in the country's railway policy.

Bullish on Canada

Despite many unfavorable factors in the current situation, there are causes for feeling optimism. On the subject of Canada's ultimate future, Mr. Beatty has the following to say:

"I am as great an optimist as ever I was, and I have a lively hope that even now the turn has come and that forces which are not fully evident are working toward a general business improvement. There are factors like our largely increased production of gold, the establishment in Canada of many branch factories from other countries and the opening of Empire markets for new goods, all of which will have important results when the flow of trade begins to assume a normal aspect. Another most encouraging factor is reflected in an announcement from Ottawa that for the twelve months ending November 30 the country had a balance of exports over imports of over $17,000,000. It is true that our total foreign trade has suffered a severe decline, but the fact that the balance is on the export side is evidence that, as far as that trade is concerned, we are beginning to again live within our means."

Royal Bank Statement Follows General Trend

Lower Earnings Reflect Business Conditions — Set Up Reserve of $3,000,000 for Investment Depreciation — Total Deposits Off Slightly

From Our Own Correspondent

MONTREAL.—Publication of the financial statement of the Royal Bank of Canada for the fiscal year ended November 30 last reveals a number of interesting changes in the bank's position from that reported a year ago.

The decline in earnings was in line with the general expectation in view of the smaller volume of business and financial activity. Net profits for the year amounted to $4,861,849, compared to $5,448,328 in 1931. Dividends on the capital stock were reduced during the year, the amount paid dropping from $12 to $11 a share.

Set Up Reserve

One of the outstanding features of the report was the recognition by the directors of depreciated security values. In order to care for this situation the directors transferred from profit and loss surplus some $3,000,000 to investment depreciation reserve.

Detailed returns, as set forth in the statement, bear witness of the change which has taken place in the country's financial structure over the past twelve months. Savings deposits have been well maintained, there being a drop of only 1.68 per cent during the year. Demand deposits, representing cash of corporations, etc., reflects restriction in activities, deposits having declined from $170,913,903 to $128,983,165.

Taken in the aggregate, deposits have been well maintained, the total of $619,094,143 showing a reduction of just under 7 per cent from those reported a year ago.

Loans Are Smaller

The various loan accounts reflect current business conditions and are down substantially from the previous year. Current loans in Canada have declined from $291,576,220 to $252,380,972, while current loans abroad have dropped from $124,581,389 to $104,167,441.

Canadian call loans, secured by collateral such as stocks, bonds, etc., have been materially reduced, the figures at November 30 last being $28,951,263 compared with $39,137,268 on the same date a year ago. The restriction on call loans abroad has not been so marked, these standing at $36,400,142 as against $37,156,112 in 1931.

Two other changes of interest are an increase in advances under the Finance Act from $20,000,000 to $25,000,000 and an increase in the amount due from foreign banks from $36,032,467 to $58,645,357.

Higher Liquid Resources

The statement, as a whole, shows total assets of $765,512,920, as compared with $825,702,436 a year ago. Of the 1932 amount, liquid assets total $355,929,915, equal to 52.86 per cent of all liabilities to the public. This compares with about 42 per cent on November 30, 1931. Cash holdings in 1932, aggregating $164,630,724, represent over 24 per cent of liabilities to the public.

Dominion and provincial governments securities held by the bank total $89,448,844 compared with $85,473,058 at the end of the previous year. Canadian municipal issues and British, foreign and colonial securities amounted to $26,750,444, up from $24,641,816. Holdings of railway and other securities have dropped from $11,935,405 to $9,748,496.

Royal Bank Report Summarized

Net profits down	10.8%
Share earnings down	$1.67
Share earnings after write-offs down	$1.10
Dividends per share down	$1.00
Interest bearing deposits down	1.68%
Non-interest bearing deposits down	24.5%
Total deposits down	7.7%
Circulation down	13.5%
Canadian call loans down	26%
Call loans abroad down	2.3%
Current loans down	14.6%
Current loans abroad down	16.1%
Advances under Finance Act Up	25%
Amount due by foreign banks	63%
Total assets down	7.3%
Liquid ratio up	10.2%

INCOME AND SURPLUS ACCOUNT
Years Ended November 30

	1932	1931
	$	$
Net profit*	4,861,849	5,448,328
Less appropriations:		
Dividends	3,850,000	4,200,000
Pension fund	200,000	200,000
Approp. for prem.	200,000	400,000
Reserve for taxes	600,000	600,000
Surplus for year	11,849	48,328
Add: Prev. surplus	4,155,106	4,106,778
Less: Trans. to res.†	3,000,000	......
Balance forward	1,166,955	4,155,106

*After deducting charges of management, accrued interest on deposits, full provision for bad and doubtful debts and rebate of interest on unmatured bills.

†Investment depreciation reserve.

GENERAL STATEMENT*
As at November 30

Immediately Available Liquid Resources Assets	1932	1931
	$	$
Specie	28,168,913	27,530,856
Dominion notes	38,046,090	39,169,403
Gold reserve	3,000,000	3,000,000
Due by for. banks	58,645,358	36,032,467
Foreign currency	16,012,895	15,842,986
Gov't. securities	89,448,844	85,473,058
Call loans abroad	36,400,142	37,156,112
	269,722,242	244,204,882
Loans and Securities Other Than Those of Canadian Government		
Public securities	26,750,445	24,641,817
Rly. and other secs.	9,748,496	11,935,405
Can. call loans	28,951,263	39,137,268
Current loans†	252,380,973	291,576,220
Curr. loans abroad†	104,167,442	124,581,389
	421,998,619	491,872,099
Due from Other Banks		
Notes of other bks.	2,087,242	3,378,738
Cheques on banks	18,667,994	25,329,298
Due by other banks	2,232	3,144
	20,757,468	28,711,180
Other Assets		
Non-curr. loans†	4,013,872	3,187,435
Real estate	2,431,602	2,163,752
Mortgages	870,948	901,177
Letters of credit	20,092,952	28,966,507
Bank premises	17,194,888	17,277,977
Dep. re circ. fund	1,600,000	1,700,000
Shares of & loans to controlled cos.	6,326,569	6,172,799
Other assets	503,760	544,629
	53,034,591	60,914,276
	765,512,920	825,702,437
Liabilities		
To the Public		
Circulation	28,733,753	33,237,098
Govt. advances	25,000,000	20,000,000
Deposits by public:		
Demand dep.	128,983,165	170,913,903
Savings dep.	468,891,153	476,389,172
To banks abroad, etc.:		
Foreign banks	21,056,909	16,655,880
Bills payable	199,353	3,121,924
Letters of credit	20,092,952	28,966,507
Other liabs.	335,768	367,360
	692,793,053	749,651,844
To banks in Canada	662,916	836,763
To the Shareholders		
Dividends	889,996	1,058,724
Reserve	35,000,000	35,000,000
Capital	35,000,000	35,000,000
Surplus	1,166,955	4,155,106
	72,056,951	75,213,830
	765,512,920	825,702,437

*Including Royal Bank of Canada (France).

†After provision for bad and doubtful debts.

EXPECT PROFITS OF IMP. TOBACCO ON LOWER BASIS

Reduced Sales May Have Bearing on Final Dividend

From Our Own Correspondent

MONTREAL.—Heavy declines recorded in sales of cigarettes in 1932 indicate that earnings of Imperial Tobacco Co. of Canada, which have shown consistent gains in most years, will fall below those of 1931. No interim figures have been issued during the past 12 months but a drop of some 20 per cent in total Canadian cigarette sales has likely cut into profits of Imperial Tobacco, producer of the great bulk of tobacco products in Canada.

In 1931 net profits totalled $5,914,079 which after preference dividends, was equal to 58 cents a share on the $47,255,160 of common stock par value $5. Dividends were paid at the regular rate of 7 per cent or 35 cents a share. In addition a final dividend of 20 cents was paid or 55 cents in all.

Final Dividend Varies

The final dividend which the company pays in varying amounts at the end of each year is applicable to operations of the previous fiscal period. In 1931 this extra involved distribution of $1,890,450 and there is some speculation as to what amount will be declared at the close of 1932. Regular 7 per cent dividends have been maintained on the common; the final dividend is not made public until the financial statement is released.

Reduction in cigarette prices are understood to have stimulated sales in recent months but it is yet too early to estimate to what extent they have moved upward. The tobacco companies do not have to bear the full cost of reduced prices since excise duties have been lowered and the price cut merely represents the passing on of this lower duty to the consumer.

BALANCE SHEET BANK NATIONALE SHOWS CHANGES

Full Statement Clarifies Comparisons Made Last Week

An analysis of the balance sheet and income and surplus account of the Banque Canadienne Nationale appeared in The Financial Post last week. However, the complete balance sheet as drawn up by The Financial Post from the statement of the bank was not published.

No comment need be added to that made last week concerning the balance sheet, but the statement is as follows:

GENERAL STATEMENT, AT NOV. 30

Immediately Available Liquid Resources Assets	1932	1931
	$	$
Specie	1,001,184	875,333
Dominion notes	5,431,638	5,437,593
Dep. in gold res.	1,000,000	2,000,000
Due by for. banks	1,283,932	904,257
Foreign currency	47,375	47,688
Gov't. secs.	28,431,224	29,963,051
	37,195,353	39,227,922
Loans and Securities Other Than Those of Canadian Government		
Public securities*	6,907,907	8,879,688
Rlwy. & other secs.*	3,195,419	3,309,097
Can. call loans	6,149,357	9,825,209
Current loans†	56,708,817	63,456,029
Curr. loans abroad†	115,952	104,274
Prov. & mun. loans	8,694,434	9,929,558
	81,771,886	95,503,855
Due from Other Banks		
Notes of other banks	455,635	939,485
Cheques of oth. bks.	4,122,069	5,199,302
Due by other banks	458,021	599,439
	5,035,725	6,738,226
Other Assets		
Non-current loans†	299,691	248,970
Real estate	1,212,559	960,249
Mortgages	670,706	752,571
Letters of credit	283,085	360,459
Premises	6,023,344	5,966,728
Dep. re circ. fund	366,774	355,284
Other assets	62,574	95,983
	8,918,733	8,740,244
	132,921,697	150,210,247
To the Public		
Liabilities		
Circulation	8,178,894	9,797,994
Gov't. advances	4,500,000	8,000,000
Deposits by public:		
Demand dep.	13,892,735	18,325,997
Savings dep.	90,946,324	98,091,593
To bks. abroad, etc.:		
Foreign banks	323,905	507,509
Lets. of credit	283,085	360,459
	118,124,943	135,083,552
To Canadian banks	407,352	744,221
To the Shareholders		
Dividends	179,158	177,305
Reserve	7,000,000	7,000,000
Capital, paid-up	7,000,000	7,000,000
Surplus	210,244	205,169
	14,389,402	14,382,474
	132,921,697	150,210,247

*Not exceeding market value.

†After provision for bad and doubtful accounts.

CANADA CEMENT PROFITS REFLECT LACK IN DEMAND

Substantial Retirement of Capital is Feature of Report

From Our Own Correspondent

MONTREAL.—Report of Canada Cement Co. for the year ended November 30, 1932, reflects the fact that sales of cement in the Dominion during the twelve months fell off 52 per cent. Gross earnings of the company, however, while closely reflecting the trend of sales in the industry, declined only 49 per cent.

Considering conditions under which the company worked in 1932, balance sheet position has been reasonably well maintained. Features of the report are earnings of $3.75 on the average amount of preferred stock outstanding in the first half of the year; retirement of $445,000 of first mortgage bonds; retirement of $857,200 of preference stock; and maintenance of working capital position.

Gross Earnings Lower

Gross earnings during the year amounted to $2,641,723, or about one-half of that reported in 1931 when revenue totalled $5,182,421. Depreciation charges were cut by about 75 per cent to $555,650. Bond interest charges increased due to the premium paid on New York funds. The writing off of liberal reserves, a feature of other years, is limited in the 1932 report. Preferred dividends were paid only for the half year, resulting in a small surplus of $104,254 to be carried forward to profit and loss account surplus.

Particulars of the income account for the past two years follows:

	1931	1932
	$	$
Gross earnings	5,182,421	2,641,723
Less: Depreciation	2,071,101	555,650
Bond interest	1,076,066	1,052,748
U. S. premium	......	102,995
Net earnings	2,035,254	930,330
Less: Fire insurance	161,624	120,399
Extra. repairs, etc.	25,000	25,000
Indust. accidents	7,200	......
Contingent res.	275,000	......
Pref. sink. fund	13,239	......
Net profits	1,553,191	784,931
Less: Pref. divd.	1,362,751	*680,677
Surplus	190,440	104,254
Br't. forward	467,987	658,427
Carried forward	658,427	762,681

*Half year's dividends.

Current Assets Lower

Balance sheet as at November 30, 1932, reveals a number of interesting changes. Inventories have been increased from $2,113,609 to $2,144,280. The total of current assets at $4,315,595 compares with $5,474,665 on November 30, 1931. The drop in accounts receivable and a decline of about $340,000 in cash account for the difference.

The company's holdings of its own bonds now total $1,126,500 at par. This item was included in "investments" last year, so that comparative figures are not available. Investments in associated companies and other investments aggregate $3,692,466, down from $5,607,797. These figures are not comparable for the reason mentioned above.

Fixed assets show relatively little change during the year, this item now standing at $39,461,437.

On the liabilities side of the balance sheet current liabilities have been reduced over $400,000 to $712,840.

Reduce Capital Charges

Funded debt has been lowered from $19,178,000 to $18,732,500, while the amount of preferred stock outstanding has been reduced from $20,965,400 to $20,086,900. Preferred stock held in the redemption account stands at 559 shares, up from 346 shares a year ago.

Purchase money obligations, arising out of the purchase of the National Cement Co., have been reduced another $300,000 to $600,000. This account will be wiped out in another two years.

In reviewing conditions over the past year J. D. Johnson, president, stated that plants of the company had operated at 30 per cent of capacity. Reference was made to demand and sales of cement, as well as the change in the set-up of investments in the company's balance sheet.

Montreal Stock Exchange Revises Commission Scale

From Our Own Correspondent

MONTREAL.—Montreal Stock Exchange has amended two of its by-laws, one making for greater uniformity in the scale of commissions and also to conform with the low prices to which many security values have sunk, and, secondly, rescinding the by-law prohibiting Montreal members from making sales of mining stocks on the Standard Stock and Mining Exchange in Toronto.

The following is the revised scale of commissions:

Stocks selling under 50 cents per share, 1½ cents per share, at 50 cents and above but under $1.00, 3 cents; at $1.00 and above but under $5.00, 6¼ cents; at $5.00 and above but under $10.00, 12½ cents; at $10.00 and above but under $25.00, 20 cents; at $25.00 and above but under $125.00, 30 cents; at $125.00 and above but under $200.00, 37½ cents; at $200.00 and above, but under $250.00, 50 cents; at $250.00, 60 cents; over $250.00 and additional charge of 10 cents per share for each additional $50.00 or fraction thereof of the selling price.

New Books

Canadian Almanac, 1933

Useful information on diverse phases of Canadian affairs is contained in the 1933 edition of The Canadian Almanac, edited by A. W. Thomas and H. C. Corner.

Intriguing features are the King's Civil List, which surveys the respective incomes of the Royal Family, and a 2,000 year perpetual calendar, the latter covering the period 1-2000 A.D. The volume also has a map of the Dominion in color.

A schedule of the Canadian customs and excise tariffs, including all the changes made at the 1932 fall session of Parliament necessitated by the agreements made at the Imperial Economic Conference is a valuable feature. This is conveniently arranged in alphabetical order.

The legal directory of practising law firms and the judicial directory of courts, officials, registrars, etc., according to location in which they hold jurisdiction, is of particular value to those interested in this profession. Lists of Dominion and provincial government officials and directories of municipalities with names of clerks are also given.

Information is included in the 1933 volume on post offices, railroad stations, banks, publications, boards of trade, clubs, educational institutions, national defence, astronomy, and the countries of the British Empire.

The Canadian Almanac, 1933, is published by The Copp Clark Co., Toronto, and is priced at $3.50.

The Doctors Speak

"Yours is the only paper that deals with the pressing problems of the day unbiased."

—Ontario Doctor.

"Please continue subscription to your paper which I value very much."

—Saskatchewan Doctor.

DRYDEN PAPER FAILS TO COVER BOND INTEREST

Deficit Chalked Up in Returns for 1932 Fiscal Year

From Our Own Correspondent

MONTREAL.—After taking care of senior charges, but before providing for income tax and depreciation, profit and loss account of Dryden Paper Co. shows a loss of $48,258 in the year ended September 30, 1932. This compares with a surplus, on the same basis, of $5,311 in the preceding year. The payment of premium of American funds last year contributed $13,287 toward the deficit.

Gross operating income amounted to $56,995 compared with $77,940 in the previous year. Miscellaneous income in 1932 amounted to $12,384, making a total revenue of $69,379. In the 1931 fiscal year miscellaneous revenue totalled $17,371, bringing income up to $95,311.

Comparative Income Accounts

Particulars of the income account for the past two years follow:

	1931	1932
	$	$
Operating profit	77,940	56,995
Add: Misc. invest.	17,371	12,384
Total revenue	95,311	69,379
Deduct: Depreciation	......	......
Interest	90,000	89,400
U. S. premium	......	13,287
Sinking fund	......	15,000
Surplus	5,311	*48,258
Br't. forward	162,439	167,750
Carried forward	167,750	119,492

*Deficit.

No Marked Change

The balance sheet does not reveal any marked change in the company's financial position. Assets at September 30, 1931, amounted to $8,135,275, compared with $8,016,923 on the same date this year.

Inventories generally have been reduced, but the value of finished products on hand increased from $149,032 to $160,257. Accounts receivable have been cut down from $103,128 to $87,959.

Investments Increase

Investments of the company have undergone an improvement. Book value of such on September 30 last was $197,447, while the market value aggregated $189,033. On the same date in 1931 investments were carried at $145,383, on which the market value was $117,250.

There has been no material change in fixed assets.

Eliminate Call Loan

Among current liabilities a call loan of $17,000, shown in the 1931 report, has been wiped out. Accounts payable, bond interest and accrued charges have been reduced.

Funded debt of the company has been lowered from $1,500,000 to $1,428,000. Capital surplus remains the same, while operating surplus has been lowered to the extent of $48,257 to $119,492.

In discussing the outlook for the current year, J. H. A. Acer, president, said in the annual report that "up to this date (December 27) I can see no improvement in business."

PULP AND PAPER EXPORT VALUES DOWN FROM 1931

Quantity Exports Are Also Off from Those of Last Year

From Our Own Correspondent

MONTREAL.—Export trade in Canadian pulp and paper products has not fared so well this year, interim figures issued by the Dominion Bureau of Statistics showing that both quantities and values of the different items shipped out of the country are below those reported a year ago.

The value of all products exported in November, 1932, was $9,035,034, of which woodpulp contributed $1,813,885; pulpwood, $363,220; and paper, $6,857,929. For the same month last year exports amounted to $12,328,060, made up as follows: woodpulp, $2,674,253; pulpwood, $512,663; and paper, $9,141,144.

Sharp Drop in Values

Cumulative returns for the twelve months ended November, 1932, reveal aggregate exports of $114,033,013. This compares with $155,241,414 for the preceding twelve months. Detailed analysis shows that the value of woodpulp exported in the 12 months period of 1932 dropped to $19,959,212 from $30,239,787 in the previous year. Pulpwood shipments declined in value from $9,734,418 to $5,039,822, while paper exports dropped from $115,267,209 to $89,033,979.

The returns for the 12 months ended November last show that exports of bleached sulphite pulp dropped in quantity to 4,262,575 cwt. compared with 5,156,312 in the preceding year. Unbleached sulphite exports declined from 2,563,370 to 1,632,559 cwt., while mechanical pulp shipments were off from 3,246,302 cwt. to 2,479,917 cwt. in 1932.

Less Pulpwood Exported

The lessened operations in American pulp mills is reflected in the drop in exports of pulpwood, the twelve months returns for the period ended November, 1932, showing shipments of 548,465 cords as against 980,975 cords in the previous year.

Newsprint Sales Off

The most notable change in paper exports took place in the newsprint division. For the twelve months ended last month exports amounted to 36,032,101 cwt. compared to 41,438,026 cwt. in the 1930-31 period.

Book paper exports held their own, the total of 22,996 cwt. for the twelve months being only 2,000 cwt less than for the previous year.

Kraft wrapping paper was one of the two items to show increased exports, there having been shipped 204,188 cwt. as against 195,316 cwt. in 1931.

The export market for bond and writing papers dwindled to small proportions.

Empire Tobacco Increases Share of U. K. Market

November imports of unmanufactured tobacco by the United Kingdom again show a heavy swing in favor of the Empire-grown product. During the eleven months of this year the total imports were 152,574,280 pounds, of which 105,615,342 went from the United States, as compared with 130,242,433 last year, and 45,236,680 from British Empire countries with 32,252,180 last year.

Among Empire supplying countries Nyasaland leads with 14,676,495 pounds, Southern Rhodesia 9,998,468, Canada 9,448,679, British India 8,953,687 and other British countries 2,159,351. In two years Canada has almost trebled her supply in the British market, and Southern Rhodesia has done the same.

Burnett and Co. Admit S. D. Cantlie as Partner

From Our Own Correspondent

MONTREAL.—Stephen D. Cantlie has become a partner in the firm of Burnett and Co., members of the Montreal Stock Exchange and Curb Market. Mr. Cantlie, who is a son of George S. Cantlie, has been connected with the financial business for some time.

Evaporated Milk Export Up

The export of evaporated milk in November was 1,675,100 pounds at $125,925 of which 1,200,700 pounds went to the United Kingdom, Newfoundland was the next heaviest purchaser. The huge bulk of the export went to Empire countries; it is running about double the quantity sold last year.

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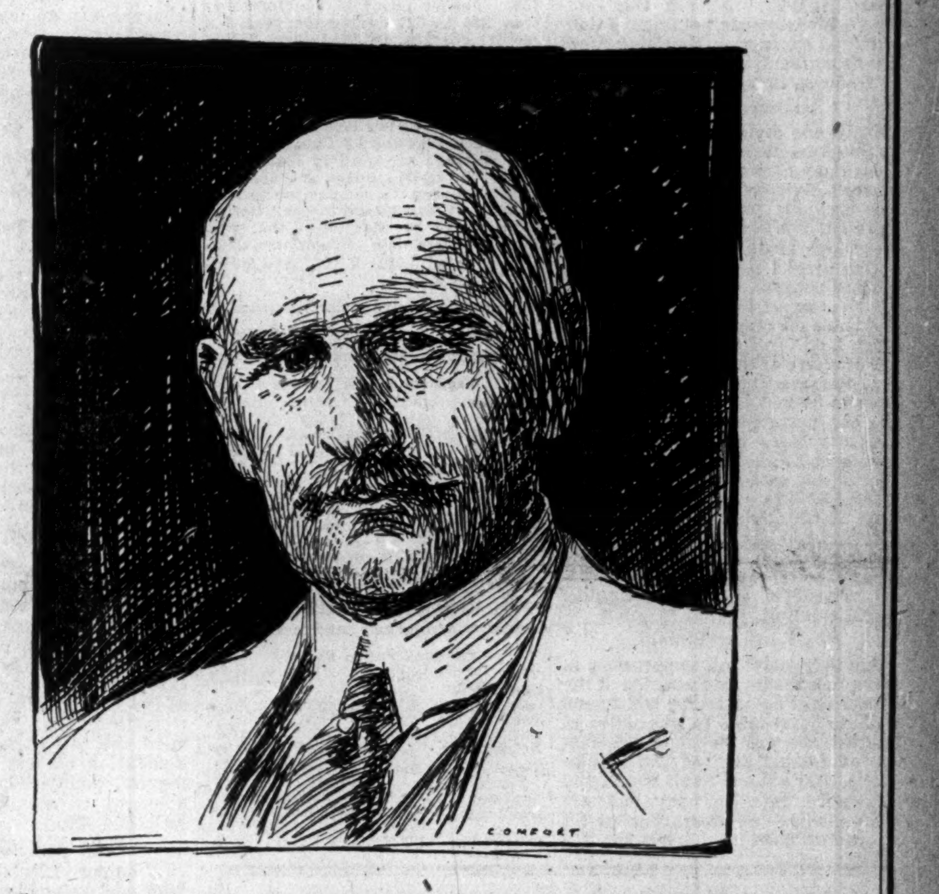

This Business Man Likes Action!

—But not long ago, when he was an executor of a friend's estate, he found action not easy to get. He was acting with two co-executors. They all had to agree whenever a decision had to be made. All documents that needed the executor's signature had to be signed by all three. No one of the three had ever been an executor before, and they were all thus unfamiliar with the business of trusteeship. Absence from town, too, interfered with progress in the business of the estate; so did illness; so did their unfamiliarity with the special problems of their deceased friend's business. He thought the estate was lucky to escape serious loss.

There is a set of prescribed duties that executors have to discharge. They can be more quickly and accurately performed if the executor, like the trust company, at least knows in advance what they are. Individuals can learn them by experience, of course; but that is likely to be slow and expensive; and it seldom gives them much inclination to apply their experience again.

That, at all events, was true of this business man.

"I wouldn't take anything to go through it again," he said, "whether alone or in company. And I won't ask anyone I know except the trust company to go through it for me."

Apart from his estimate of this Company's responsibility and capacity, that is why he has appointed us his executor.

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Utilities and Transportation

CANADIAN PACIFIC INCOME DECLINES FROM LAST YEAR

Favorable Exchange Will Save Company More Than $1,000,000

From Our Own Correspondent

MONTREAL. — Prospects have faded for the Canadian Pacific Railway reaching last year's net operating income in 1932. Expectations are, on the basis of returns for the eleven months, that net revenue will not be greatly in excess of $20,000,000. This compares with $25,682,872 in 1931.

During November last the company had a gross operating revenue of $10,730,832, from which was deducted expenses of $7,406,540, leaving a net income of $3,324,291. For the same month last year gross revenues totalled $13,743,206, operating expenses $9,177,831 and net $4,565,374.

Cumulative returns for the first eleven months of 1932 show an operating income totalling $114,235,513, or $21,859,377 less than for the same period in the preceding year. Operating expenses were cut from $114,260,687 to $96,456,278, leaving a net revenue at $17,779,235, compared with $21,834,204 in 1931.

Lower Gross Expected

Preliminary estimates would indicate that net revenues of the Canadian Pacific Railway from all sources in 1932 will not exceed $30,000,000. This is regarded as a liberal estimate, but much will depend upon the size of special income; an item which has always played an important part in the company's profit and loss account.

Hotel, steamship, telegraph, express, dining car and other miscellaneous operations of the company were on a restricted basis in the past twelve months, so that not much encouragement is seen in those operations as a source of revenue in 1932. Among the company's investments, holdings of Consolidated Mining and Smelting Stock are paramount. Lower revenue from this source is a certainty for 1932.

Smelters Pay Less

Only one dividend has been paid by Smelters during 1932, comprising a cash payment of $1.25 a share and a stock dividend of 5 per cent. In the previous year cash payments were $2.50 plus an extra of $5, plus a stock dividend of 5 per cent.

One bright spot in the company's income position this year is in the distribution of interest charges and dividends on consolidated debenture stock and preference stock. The major share of these charges is paid in pounds sterling. Heavy payments have to be met in New York funds, but the premium paid on this account is more than offset by the saving in English payments.

It is estimated that the company will be able to effect a saving of at least $1,000,000 on its charges this year through the favorable balance resulting from differences of exchange between the Canadian dollar, American dollar and English pound sterling.

Soo Railway Liability

Another point of importance in surveying the income position of the Canadian Pacific is its contingent liability in respect to guarantee of interest charges on some $86,000,000 of funded debt of the Minneapolis, St. Paul and Sault Ste. Marie Railway. This company has not been making an operating profit. In order to meet its charges, the Soo found it necessary to secure large loans from the Reconstruction Finance Corp. The extent to which the Canadian Pacific has had to make good its guarantee on the securities of the Soo railway during 1932 will not be known until after the publication of its own report, or that of the Soo railway.

GYPSUM OUTPUT DOWN 44 PER CENT FROM 1931 LEVEL

Sales of Gypsum, Lime Follow Trend of Production

From Our Own Correspondent

MONTREAL.—Indication that earnings of Gypsum, Lime, and Alabastine, Canada, declined in 1932 is seen in the fact that total production of gypsum in Canada last year dropped 44 per cent below that of the previous period. Output for 1932 has been estimated at 485,205 tons comparing with 863,752 tons in 1932. Values declined from $2,111,517 to $1,178,000.

Lower demand for gypsum reflects the restriction in building activity. Construction permits were down over 60 per cent compared with 1931. To what extent sales of Gypsum, Lime, and Alabastine have been affected has not been made public; it is understood that they have followed the trend of total production fairly closely.

Cut Depreciation Charge

In 1931 the company reported net earnings of $551,606.

It has been officially stated that interest due March 1 will be paid.

Canadian Electric Railways Cut Use of Buses in 1931

Development of the use of the motor buses in connection with electric railways in Canada was interrupted in 1931. Feeder buses in use increased from 321 to 327 during the year, but special coaches declined from 295 to 209. This decrease is accounted for by discontinuation of inter urban coach operations by the Hamilton Street Ry.

More than 60 per cent of the buses and coaches owned by Canadian electric railways are used in feeder services. No trolley buses are operated in this country. In comparison to total number of street cars in operation in Canada, the bus figures of the same companies are small. Street cars operated totalled 4,021 in 1931 and buses and coaches 536.

Public Utility Earnings

Canadian Pacific Railway

November:	1932 $	1931 $	Decr. $
Gross ...	10,730,832	13,743,206	3,012,373
Expenses	7,406,540	9,177,831	1,771,290
Net	3,324,291	4,565,374	1,241,083
11 Months:			
Gross ...	114,235,513	136,094,891	21,859,377
Expenses.	96,456,278	114,260,687	17,804,409
Net	17,779,235	21,834,204	4,054,968

Railway Earnings

Canadian Pacific Railway

	1932 $	1931 $	Decrease %
November:—			
Gross earnings	10,730,832	13,748,206	21.92
Working exps.	7,406,540	9,177,831	19.29
Net earnings	3,324,292	4,565,375	27.18
Eleven Months End. Nov. 30:—			
Gross earn.	114,235,514	136,094,892	16.05
Working exp.	96,456,279	114,260,688	15.58
Net earnings	17,779,235	21,834,204	18.57

POWER UTILITIES HOLD POSITION DURING 1932 BUT FACE PROBLEMS

(Continued from page 1)

ended June 30, 1932, profits available for distribution on the capital stock were equal to $2 a share, or sufficient to cover the dividend of the same rate.

For the four months ended November, 1932, net operating income amounted to $1,822,875 compared with $2,080,402 for the same period of 1931. After taking care of senior charges, net earnings of this company have not been sufficient to take care of the dividend on the "A" stock. The amount applicable to the stock during the four months period was equivalent to about $1 a share on an annual basis.

Earned Dividend Unlikely

The four months period reported to date is one in which earnings are not overly large. Even allowing for the usual seasonal advance in revenue during the winter months, expectations are that the 1932-33 report will not show the "A" dividend earned. So far the management has not indicated any change in its attitude toward payment of the "A" dividend, but it is unlikely that current rate will be maintained for any length of time without some evidence of an early improvement in earning power.

East Kootenay Power

East Kootenay Power Co., operating in Southeastern British Columbia and in the neighboring part of Alberta has found the going difficult for some time past. The company not only has a limited operating field, but its balance sheet position is not overly strong. In addition to its funded debt, the company owes around $2,000,000 to Power Corp. of Canada.

During the eight months ended November, 1932, the company had a net operating income of $195,236. For the same period in the previous year comparative figures were $213,051. With its heavy interest charges the management found it necessary to forego dividends on the preferred stock. It is unlikely that full figures for the year will show sufficient improvement in income to warrant consideration of a resumption of dividends. Nor is such a step likely to be taken until the company has funded or cleared off advances made to it by Power Corp.

Calgary Power Co.

Calgary Power does not follow the practices adopted by the majority of utility companies in issuing interim income statements. During 1932 profits, after all charges, were equal to $7.15 a share against dividend payments of $6 a share. In the last two years the company has undertaken an extensive development programme and expansion of transmission and distribution lines. The company also acquired several plants in Saskatchewan formerly controlled by Montreal Engineering Co.

The last balance sheet revealed large bank loans, proceeds of which had been used by the management to purchase controlling interest in the Ottawa Valley Power Co., an enterprise which is carrying out the joint development of the Chats Falls power site with Ontario Hydro. In its last statement the management stated that liquidation of this bank loan will require, in due course, permanent financing to provide approximately $2,200,000.

Winnipeg Electric Co.

Winnipeg Electric Co. has not improved its position this year. For the first ten months net operating income was $1,377,098 compared to $1,417,578 for the same period last year. This company undertook to guarantee principal and interest on the bonds of Northwestern Power Co., but failed to live up to its contract. It also has had trouble over the matter of the tramway fare schedule, the claim being that fares were too low.

Proposals have been put forward at one time or another to the city to take over the system or for Winnipeg Electric to buy the civic utility system, but without any progress being made. The immediate outlook for this company is obscure; no dividends on capital stock are in prospect for some time.

Manitoba Power Co.

Manitoba Power Co., a subsidiary of Winnipeg Electric, has run into difficulties over the past year, mainly due to the closing down of the Manitoba Paper Co. mill—one of the company's two major outlets for power. Its net operating revenue for the first ten months of last year amounted to $980,527, as against $800,862 for the same period in 1931 This increase in profits is more apparent than real as provision will have to be made for bad debts, while earnings during the coming months will reflect the closing down of the paper mill.

Public investment interest in this enterprise is virtually limited to the bonds, as ownership of the stock was secured by the parent company through an offer to exchange securities — a proposition which was accepted by the shareholders.

Canada Northern Power

Canada Northern Power has made progress this year, both in respect to earnings, power output and sales. The area served by the company—the gold fields of Northern Ontario and Quebec —has been one of the most active areas in the Dominion over the past 12 months. Net operating income for the 11 months ended November, 1932, totalled $2,160,735, up from $2,066,269 for the same months in 1931.

A disturbing factor in considering the position of this company is the entry into its territory of the Ontario Hydro which has undertaken to manage the Abitibi Canyon development taken over from the Ontario Public Service Co. by the Ontario Government. Already the two systems have come into conflict. Ontario Hydro has made an offer to supply the Beattie Gold Mines in Quebec with power at rates which are regarded as inequitable. The premier of Quebec has taken the stand that Ontario Hydro has no right to compete with the privately owned power companies in Quebec. The outcome of this situation is being watched closely and the decision one way or the other will have an important bearing on Canada Northern Power's future operations.

Montreal Power

Montreal Light, Heat and Power Consolidated has been able to hold its earnings at a relatively satisfactory level this year. During the four months ended April last net earnings totalled $2,269,926 compared to $2,231,768 for the same period in 1931. No further statement has been issued by the company since that time. For all of 1931 earnings on the common stock were equal to $2.17 a share. It is not expected that that figure will be reached in 1932, as it is anticipated that earnings although approaching the 1931 total will have to be spread over a larger number of shares, which will tend to bring down profits on a per share basis.

Montreal Power has continued its regular dividend of $1.50 a share and there is no immediate prospect of a change in this rate. Earnings for the current year should be comfortably in excess of dividend requirements.

Southern Canada Power

Southern Canada Power Co. closed its fiscal year last September with earnings on its capital stock of 94 cents a share as compared with dividend payments of $1 a share. For the first two months of the current fiscal year, ended November, net operating income amounted to $251,467. This compares with $241,768 for the same months in 1931.

Operations of this company, which are confined to the Eastern Townships area of Quebec, do not vary greatly from year to year. The area has been highly industrialized. Plant operations have been well maintained and power sales to date have not shown any evidence of wide fluctuation.

Shawinigan Power

Shawinigan Water and Power Co.'s position has undergone several changes in the past 12 months. Of principal interest to the shareholders was the cutting of the dividend from 25 cents to 12½ cents quarterly. This action by the management is attributed to three causes.

Reasons For Action

(1) Uncertainty over the newsprint situation. Approximately 40 per cent of the company's power output is sold to pulp and paper companies, mainly newsprint manufacturers. Conditions in this industry have not been favorable for some time. Plant operations have steadily declined, until today the industry as a whole is operating at about 50 per cent of the rated capacity. Power is sold to these companies on a firm basis. The demand for secondary power, which ordinarily would be low in view of the lower production, has been stimulated by the installation of electric steam boilers for the production of steam. A large market has been built up in this direction, though the revenue received by Shawinigan has necessarily been small owing to the necessity of having to compete with coal.

(2) At present Shawinigan has a market for virtually all of its power output. By the beginning of 1934 the company will have coming into production another plant at Rapide Blanc on the Upper St. Maurice, making available an additional 160,000 h.p. It is possible that a market may be available for the majority of this power at that time. But in view of the uncertainty over the outlook it is deemed advisable to conserve cash resources in order to take care of the balance of capital expenditures on the Rapide Blanc project, as well as carrying the plant until such time as it develops a well-established earning power.

(3) Earnings for 1932 are estimated at around $1.03 a share. Continuance of the previous dividend rate of $1 a share would have allowed for a very small margin. On top of that the company has a heavy burden to carry in respect to the purchase of New York funds to take care of interest charges. The premium paid by the company runs into several hundred thousands of dollars. Without this charge, the company's share earnings would be substantially above those reported.

Quebec Power Co.

Quebec Power Co.'s principal problem last year was its disturbed public relations. Conditions this year have been on a better basis. The demand for lower rates has been met by a substantial reduction in the schedule. This, combined with the payment of interest charges in New York funds, has cut into earnings. Last April the directors reduced the dividend on the common stock from $2 to $1.50 a share.

For the nine months ended September 30 last, net earnings available for distribution on the capital stock amounted to $717,020. This was before depreciation and income tax. Comparative figures for the corresponding period of 1931 are not available.

Expectations are that the company's report for 1932 will show that dividend requirements have been covered by a small margin.

Have Held Position

None of the power utilities have gone unscathed during the past year. On the whole, however, they have been able to maintain their position in better style than in most other lines of endeavor. Defaults of bond interest, common in many other industries, have been few and far between in the utility field. Retrenchment in operating expenses has been general and controllable expenditures have been kept down to a minimum, with the result that five out of ten of the major companies have been able to maintain or increase their dividends on capital stock.

Say State Should Pay For M. P.'s Passes

Railways Now Give Free Transportation to Parliamentarians and Many Government Officials — Employee and Press Passes Reviewed

By F. S. C.

For many years in Canada there have broken out, intermittently and under the impulse of different interests, complaints regarding the pass system in force on the railway lines in Canada.

Some people have wondered why the Canadian National Railways, which has been a losing proposition from the start, should permit newspaper writers to travel free of charge. Was this not bribery to keep the papers silent about the true railway facts, it was asked?

Other people have wondered why members of parliament should ride free, especially on the Canadian Pacific Railway which is popularly supposed to have its lobbyists hanging around the Parliament Buildings constantly, seeking favors from the two houses.

Another series of pointed objections have come from merchants in so-called railway towns who have been hard put to it to keep above water and who have seen their local citizens riding free of charge to the nearest big cities to shop in the larger department stores. A case in point is Stratford, some 135 miles or so from Toronto, and a substantial Canadian National Railway shop centre. For many years Stratford merchants have complained that National employees, with their wives and families, have gotten passes to go to Toronto to shop.

Thornton Charged With Reckless Pass Use

Then, during the Thornton regime on the Canadian National Railways, there were many stories told of the open-handed generosity of the C. N. R. chieftain in regard to free passes and free private cars. Thornton was supposed to have sent whole private trains to meet prominent people at the docks. There is the typical story of the time a wealthy young lady from Ottawa slipped and sprained her ankle in Montreal and was sent back home on a private car paid for by the taxpayers.

It is little wonder then that the general public expected the Royal Commission of Railways and Transportation in Canada, commonly known as the Duff Commission, to make some investigation of the use and possibly of the abuse, if it existed, of railway passes in Canada. The commissioners did look into the question and while their report does not add greatly to public knowledge of the subject, there are some useful recommendations. Before dealing with these, however, we may summarize some figures on railway passes as given by the commission.

Who Gets Railway Passes

The figures show just who got the passes, the figures being for the year 1930.

	C.N.R.	C.P.R.	Total
Annual Passes:			
Long service employees	77,212	62,683	139,895
Other	16,858	21,351	38,209
Trip Passes:			
Dependent members of families of Canadian senators	512	5,067	11,078
Similar for M. P.'s	2,323		
Govt. employees and families .	1,063		
U. S. immigration and customs	53		
Press	2,060		
Employees and families	246,845	266,659	555,298
Employees of other roads & steamship cos. and families	41,784		

Long Service Passes For Employees

Regarding the passes to railway employees the commission said:

> "We have looked into the practice in Great Britain and the United States with regard to railway passes, and find that, making allowance for travel on company business, the issue of trip passes to railway employees and dependents in Canada is not out of line with United States practice, and is, if anything, less generous than the British practice. On the other hand, the Canadian and United States practice with respect to long service annuals to employees is on a very generous scale and would seem to have no counterpart in British railway practice."

It is difficult for an outsider to discuss railway practice in regard to passes to employees. In Canada, both railways utilize the same rules regarding annual passes. These rules are about as follows: No employee gets a pass, except on duty, until he has served a year. Then he gets three limited passes a year and he works up through various stages, until after twenty years of service he and his wife enjoy a pass good all over the country. Whether or not the regulations need tightening up is something for the railways and the Board of Railway Commissioners to determine and, in view of present financial conditions of railways all over the world, such a tightening up process is likely to proceed for some years.

Government Asked to Pay For Tickets

It will be seen that members of parliament, government officials and their dependents are generously supplied with passes. Most people will agree with the Duff recommendation that this practice be stopped. The recommendation reads:

> "Reduced rates and free transportation in Canada may be granted only as provided by the Railway Act, which restricts such privileges to railway officials and employees and their families; to members of the provincial legislatures within the confines of the various provinces; to dependent members of the families of members of the Senate and House of Commons of Canada, and such officers and staff of the Board of Railway Commissioners as the board may determine, "or for such other persons as the board may approve or permit." In the exercise of the discretionary power thus permitted, free transportation is issued to certain Dominion government employees. The Act also authorizes the railways to grant free carriage to the governor general and staff and families, and to senators and members of parliament on production of certificates of membership in either house.
>
> "In the United Kingdom a member of parliament wishing to travel to or from his constituency applies to the accounting officer of the British House of Commons for a warrant which, in effect, instructs the railway company to issue a ticket in accordance with the requisition contained in the warrant. The member presents the warrant at the railway station, and the necessary ticket is issued to him free of charge, the railway company billing the accounting officer of the House of Commons at the end of each month for such transportation as may have been issued on members' account. The fares so charged are the same as those charged the general public. A similar procedure is adopted in connection with the staffs of the various government departments. In the United States free transportation is not supplied members of the Senate or of Congress.
>
> "We are of the opinion that where the statute imposes an obligation upon the railways to provide free transportation for members of the federal parliament or provincial legislatures, and their dependents, or for civil servants and dependents, the state should bear the cost of the service involved."

Newspaper Writers Encouraged to Travel

Another class of individuals who receives passes are newspaper people. The most surprising thing about the figures given above, however, is the small number of newspaper passes issued in comparison to the total number of passes. There are undoubtedly a number of newspapermen included in the 16,858 C. N. R. and 21,351 C. P. R. "other annual passes." It is unfortunate that the commissioners did not obtain a break-up of these passes but for some reason they did not. But less than one per cent of the trip passes issued were given to newspapermen.

There is a good deal of misconception regarding newspaper passes. Employees of newspapers usually use one of two different kinds of transportation. The first type is known as an advertising trip ticket and is charged by the railway direct to the newspaper. In turn the newspaper runs the display advertising of the railway, in the same manner that it runs the advertising of any commercial company and charges the advertising to the railway. The two contra-accounts balance. Transportation issued in such a manner is not to be regarded as in the nature of a free pass at all. The second type of newspaper transportation is the pass.

Railways in Canada have for many years issued free passes to magazine writers, travelling journalists, editors, etc., on individual application. It is felt that every time a Canadian or foreign writer travels in Canada he will be writing about the places he goes and the things he sees and that this will stimulate travel for the railways. For instance, no one would deny that it is good business for the railways to encourage travel over the Canadian railways by magazine writers from the United States and newspaper editors from Great Britain. Of course it is often difficult to say just what ultimate benefit will accrue to a railway from the issuance of any particular pass to a writer. The generosity of the railways' policy varies in direct relation to their degree of prosperity. Recently there has been a considerable restriction on all kinds of passes.

Final recommendation on passes, as made by the Duff report is as follows:

> "It is also suggested that the discretionary power in the matter of free transportation presently vested by law in the Board of Railway Commissioners be reviewed. The Interstate Commerce Commission of the United States is permitted no such discretionary power."

This is the eighth of a series of articles discussing various points brought out in the report of the Royal Commission on Railways and Transportation in Canada.

Bruck Silk Completes New Steam Power Unit

From Our Own Correspondent

MONTREAL.—Bruck Silk Mills has completed construction of a new steam unit for its plant at Cowansville and henceforth the company will produce all its own power requirements. The company's contract with Southern Canada Power Co. expired at the close of the year and it is expected that the previous annual payment of $20,000 for this power will be partially saved for the company in the future.

Operations are being maintained at capacity and work is being carried on in 24-hour shifts. In the last fiscal year the company's output showed an increase of 38 per cent in yardage and 11 per cent in gross value of sales. Net operating profit at $185.078 compared with $111,036 in the previous year; common share earnings were 28 cents against 8 cents.

JANUARY · 1933

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		Maturity	Approx. Yield
Dominion of Canada	5%	1936	4.35%
†Dominion of Canada	4½%	1959	4.76%
*D. of C. Gtg. C.N.R.	4½%	1951	4.65%
*D. of C. Gtg. C.N.R.	5%	1969	4.72%
Province of Ontario	5½%	1947	4.97%
City of Montreal	6%	1941	5.15%
*Ottawa Valley Power	5½%	1970	5.60%
*B.C. Power Corp.	5%	1960	6.50%
*Canada Northern Power .	5%	1953	7.00%
*McColl-Frontenac Oil ...	6%	1949	7.20%
*Northwestern Utilities ..	7%	1938	8.37%

†Pays 5¼% until Nov. 1934. *Payable in U.S. funds.

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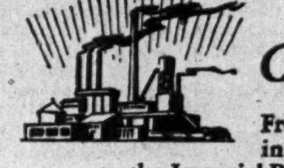

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News of Investment Markets

UPWARD TREND IN BOND PRICES SEEN FOR 1933

Final Quarter of 1932 Repeats Experience in Previous Year

Canadian bond prices moved slightly upward at the end of 1932 and closed at a level substantially higher than the extreme lows of January and February although slightly under the highs of the year which prevailed in the last week of October, just prior to the Dominion loan. Demand also showed some improvement in the last week of December after being at a minimum during November and December.

With the sole exception of the Dominion loan early in November, of which $81,250,000 was sold, there was practically a complete cessation of new financing in the last quarter of 1932. This period was in many respects similar to the last quarter of 1931. With a substantial volume of new financing to be done by practically all of the provinces and many of the municipalities, there is some possibility that the first quarter of 1933 will see a number of new issues as was the case in the first quarter of 1932. The tone of the market is better at this time than was the case a year ago and cost of financing the more important borrowers can be expected to be lower.

CANADA JOINS GREAT BRITAIN IN LOAN TO NFLD.

Permits That Dominion to Meet Payments Due on Jan. 1

The Governments of Great Britain and Canada have extended a loan of $1,250,000 to the Government of Newfoundland to enable that Dominion to meet obligations totalling $2,400,000 which came due January 1. Canada provided $625,000 on which interest will be paid at the rate of 4 per cent. A commission representative of the three governments concerned will be appointed at an early date to recommend improvements in Newfoundland's financial structure.

Toronto Power Stock Redeemed at Premium

Holders of the 4½ per cent guaranteed debenture stock of the Toronto Power Co. which has been called for redemption on May 1, 1933, may receive payment before that date if such payment is desired. The company is prepared to make arrangements for earlier payment of the principal together with the premium of 5 per cent and with interest accrued to such earlier date of payment. Holders registered on the Canadian register can complete and forward the necessary forms to the National Trust Co., Toronto.

The debenture stock certificates together with the forms of discharge duly completed should be deposited for examination two days before payment is desired. Debenture holders listed on the London register may also make similar arrangements.

Toronto Power Co. was a subsidiary of the Toronto Railway Co., which was acquired by the Hydro Electric Power Commission of Ontario. On November 1, 1922, holders of the Toronto Power Co. 4½ per cent consolidated guaranteed debenture agreed to exchange their stock for a similar amount of 4½ per cent guaranteed debenture stock guaranteed by the Hydro Electric Power Commission of Ontario. This new debenture stock was redeemable at par, May 1, 1941, and had a sinking fund commencing in 1923 through which the debenture stock could be redeemed at any interest date prior to maturity at 105.

TOURIST INDUSTRY WORTH $6,000,000

New Brunswick Bureau Estimates Value for Past Year

From Our Own Correspondent

MONTREAL.—Value of the tourist industry in New Brunswick in 1932 has been estimated at $6,000,000 by the Bureau of Information and Tourist Travel. Responses to a questionnaire, elicited the fact that average expenditures per car entering the province were $73.34, and the Bureau claims that the amount of gasoline tax paid by visiting motorists was more than double the entire appropriation expended by New Brunswick for publicity and advertising purposes.

Up to November 30, 1932, there came into New Brunswick from the United States approximately 51,113 motor cars for stays exceeding 24 hours and not more than 60 days, or a decline of 11 per cent in comparison with 1931. Total number of motorists from the U. S., however, was equal to that of 1930 and almost 75 per cent greater than in 1929.

While the tourist traffic from the United States was somewhat less than in the previous year, traffic from Ontario and Quebec was about 14 per cent higher than previous records.

Ship Scotian Poultry Overseas

Hon. O. P. Goucher, Minister of Agriculture for Nova Scotia, states that his department is now making arrangements to gather together a quantity of poultry from Nova Scotian farms for shipment overseas, in view of the present and prospective increased demand for Canadian poultry in England.

New Exchange Member

JEAN E. CHAPUT who has been elected a member of the Montreal Stock Exchange. The new member has represented Geoffrion & Co. on the Curb for several years. He is a son of Emile Chaput, prominent Montreal business man.

MOIRS DEFAULT CURRENT CHARGE ON FUNDED DEBT

Nova Scotia Manufacturer Passes Interest and Sinking Fund

From Our Own Correspondent

MONTREAL.—Interest and sinking fund payments on its first mortgage bonds, totalling $135,000, were not met on January 1, 1933, by Moirs Ltd., Nova Scotian manufacturers of chocolate and confectionery products.

While final figures on 1932 operations are not available as yet, the management have notified the bondholders that the volume of sales has shown a substantial decline, while a general lowering of prices due to intense competition has affected earning power.

Impair Liquid Position

The management hold to the view that the continued provision of funds for interest and sinking fund on the bonds would seriously impair the liquid position of the company as to jeopardize its future operations. It is proposed to hold a meeting of the bondholders shortly to discuss the situation.

Under the terms of the trust deed the company has 60 days grace in order to make good the default on interest and sinking fund payments. Failing to do that the trustee can step in and take over the property, provided that a way out of the difficulty has not been reached before hand.

Deficit Last Year

During 1931 the company reported a deficit of $113,053 after taking care of senior charges. Bond interest was earned 0.28 times before depreciation, but only 0.07 times after this charge. As a result of the deficit the surplus was written down to $184,168.

The balance sheet at December 31, 1931, showed an excess of current assets over current liabilities of $952,794. Most of the current assets took the form of inventories which, no doubt, have shrunk considerably in value since the compilation of the 1931 report. Among the current liabilities was a bank overdraft of $417,646.

Form Protective Board

At the end of 1931 the funded debt of the company amounted to $1,533,000. The original issue of $1,000,000 was sold to the public in December, 1925, by the Royal Securities Corp. A further block of $350,000 was offered in November, 1927, and $288,000 in March, 1931.

A protective committee of bondholders has been formed, including D. R. Turnbull, D. E. North, A. J. Campbell. K.C., W. L. Macdougall, and C. W. Stairs.

East Geduld To Disburse 8 ¾% Dividend

The recent announcement of an 8¾ per cent dividend by East Geduld Mines, on the Far East Rand, has served to swell the income of Dome Mines, since this company owns 90,000 shares, purchased at a cost of $1,107,117 in 1931. As East Geduld shares are £1 par value, Dome's dividend cheque was approximately $38,250. East Geduld made an initial dividend disbursement on July 26, 1932, of five per cent, enriching Dome's coffers by some $21,600.

The recently market flurry in gold mines shares has not been confined to Canada alone and current quotations show East Geduld selling at around 90 shillings per share or about $17 in Canadian funds. As Dome cost was about $12.30 per share its South African investment shows a tidy appreciation.

HAYES WHEELS SELL EQUIPMENT TO COMPETITOR

Receive 20 p.c. of Stock of Kelsey Wheels — Ask Consent of Bonds

Bondholders of Hayes Wheels & Forgings Ltd. are asked to approve sale of wheel manufacturing equipment valued at $50,000 to Kelsey Wheel Co. in return for which Hayes Wheel will receive a 20 per cent stock interest in Kelsey Co. It is stated that there is not sufficient volume of Canadian business in wheels, hubs and drums, to warrant two companies carrying on independent operations. These lines are stated to have been the least profitable items manufactured by Hayes Wheels which also produces front and rear axles, clutches, universal joints, propeller shafts and miscellaneous forgings.

Holders of the $437,500 6 per cent first mortgage bonds outstanding are asked to authorize the trustee to release the property to be sold from the security for the bonds and substitute the stock interest received in Kelsey Wheel Co. Any dividends received from such stock will be used for the benefit of of the bondholders. It is hoped that the arrangement with Kelsey Co. may result in the Hayes Wheel plant at Merritton obtaining additional business which would assist in placing it on a profitable basis.

Kelsey Wheel Co. is a wholly owned subsidiary of Kelsey-Hayes Wheel Corp. which operates in the United States. The balance sheet of Kelsey Wheel Co. at September 30, 1932, shows total assets of $514,781. Current assets are shown at $107,311 including stock in the Prince Edward Hotel valued at $25,000. Current liabilities total $52,351 which is more than covered by cash on hand of $62,634. Plant investment has a book value of $1,046,415 from which is deducted reserve for depreciation of $642,171. Kelsey Wheel had a surplus of $295.181 from which was deducted $53,886 loss for 1932 to the end of September.

It is provided that so long as Hayes Wheels & Forgings Ltd. continues to hold 20 per cent of Kelsey stock Hayes Wheels may have one representative on the Kelsey Wheel Co. board of directors. Agreement of sale was made in October and equipment was to be delivered by December 1.

UNION TRUST CO. OMITS DIVIDEND FOR LAST QUARTER

Western Situation, Talk of Moratorium Makes Directors Conserve

Union Trust Co., which reduced the dividend rate on its capital stock from 7 per cent to 5 per cent per annum on July 2, 1932, has decided to omit the dividend for the last quarter altogether. This action is taken with the idea of conserving cash and liquid resources generally until the situation of the Western farmer improves materially.

Union Trust Co., which was formed under Ontario laws in 1901, invested to a considerable extent in Western farm mortgages in the first two decades of its existence. In the last decade it has withdrawn to some extent because of the invasion of the field by government loaning agencies but still has important holdings on which it expects to realize. The various measures being taken in Western Canada, however, cannot be foreseen far ahead and the refunding of loans over longer terms in many instances makes revenue from this source likely to be lower until farm prosperity begins to return. Union Trust Co. is having excellent experience with its loans in Ontario and in Western cities like Winnipeg.

The directors had hoped that it would not be necessary to take the present action but during November and December it became evident that normal returns could not be expected for the immediate future. The talk of having a moratorium in Ontario also made directors feel that it was time to conserve until government plans are made clear.

Imperial Tobacco Co. Makes Executive Changes

From Our Own Correspondent

MONTREAL.—D. C. Patterson, who has been with the Imperial Tobacco Co. of Canada since the inception of the company, has retired from the presidency and accepted the position of chairman of the board. He remains a director. At the same time it is anounced that Gray Miller, for the past six years a director and vice-president, has been elected president. F. P. L. Lane, secretary of the company, has been elected a director.

Bond Tenders

Jan. 20, Saint Marc de Figuery—$3,000, 6 per cent, 15 year, serial bonds. Anselme Roy, sec.-treas.

SLIGHTLY LOWER POLICY DIVIDENDS LIKELY IN 1933

Sound Life Insurance Investments Stabilizing Factor

Policyholders' dividends distributed by Canadian life insurance companies have been and are still being well maintained during the present period of stress. There are comparatively few dividend records that are as stable. This is due to the conservative investment policies of these institutions. Indications for the year 1933 are that on the average policyholders will receive slightly lower dividends than in 1932.

Some of the changes in dividends to policyholders that are being made for 1933 are due to changes that commenced in 1931. At that time drastic action was taken by a number of companies, in reducing dividend payments to participating policyholders. One company suspended payments for a year, other companies made large reductions (up to 50 per cent), and others made small cuts or merely deferred the normal increases in dividends which would ordinarily accrue as policies remained longer in force.

Increases to Adjust

Thus, some current increases in dividends are really readjustments of some of these former changes. Some companies which made drastic reductions in 1931 have increased their payments for 1933, while those which made only moderate changes a year ago have in many cases decided on further reductions for the present year.

A considerable increase in policyholder's dividends on all types of policies has been decided upon by Imperial Life Assurance Co. of Canada for 1933, The Financial Post learns. This will be fairly uniform throughout and will apply to policies which have been in force for short and long periods. A year ago the scale of dividends to policyholders was reduced materially by the company, and the present increase is largely in adjustment of the previous change. The comparative uniformity of the changes being made for 1933 is considered evidence that the former ratios of distribution of policyholder's dividends were on a satisfactory basis.

Great West Adjustment

Great West Life Assurance Co., in an adjustment of reductions made previously, has recently announced a somewhat higher scale of dividend disbursements for 1933 on participating policies. The higher scale applies on all usual policy plans, but is most noticeable on policies which have been in force for considerable periods, or which are fully paid. For instance, on a paid-up 20-pay life policy the increase in dividend rate is about 60 per cent, and on a fully paid 20-year endowment the increase alone amounts to more than twice the entire 1932 dividend rate. Great West Life will continue to allow five per cent interest on surplus funds left with the company.

Manufacturers' Unchanged

Maufacturers' Life Insurance Co. recently decided to pay dividends to policyholders on the same scale in 1933 as that which was in force in 1932. The rate of interest on dividends and other funds left on deposit with the company remains at five per cent as in the case of the Great West Life. It is estimated that this dividend policy will mean disbursements of approximately $2,675,000 to policyholders in 1933, which compares with distribution of $3,450,290 in 1931. The 1932 figures are not available as yet.

Crown Life has also announced that it will pay the same scale of policyholders' dividends until March 31, 1933, the end of its dividend year, as was in force in 1932. It is understood that there is little likelihood of changes being made in this scale until general economic conditions are better. However, the company recently advised agents through its agency news that it is confident that whatever revisions are made for a considerable period will be upward. It pointed out that on policies now being issued on the quinquennial dividend plan it is expected that the first dividends, payable in 1938, will be at a higher rate than those in force at present.

Canada Life Revision

Canada Life Insurance Co. has not yet issued any definite or complete statement of its plans for policyholders' dividends for 1933, but this should be forthcoming shortly. The Financial Post understands that changes will be largely confined to a revision of methods of distribution.

The Mutual Life Assurance Co. of Canada recently announced to their agents a lower scale of dividend payments for the 1933 year. This reduction applies to all new and renewal policies coming into force after Jan. 1 of this year, and amounts to 15 per cent on first year policies and ten per cent on all other policies. Last year the company paid the same cash dividend as in the previous year by omitting the customary annual increase in rate.

Confederation Life Association has recently announced in its agency bulletin that the same actual cash dividend will be paid participating policyholders on its Old Standard Series policies in 1933 as in 1932. This means a slight reduction, as it does not provide for increases in the rate schedule that would normally appear. On its New Standard, Confederation and Super-Select Series policies the same scale of dividends will apply in 1933 as in 1932. The bulk of Confederation business is on the "old standard" plan.

N. Y. Life Down 10 Per Cent

New York Life Insurance Co. has adopted a dividend policy for the first quarter of this year which amounts to a reduction of 10 per cent in the rate of annual dividends received by policyholders, compared with the 1932 rate. Dividends to be paid after the first quarter of this year will be determined by the board of directors in February. Funds left with the company will be allowed 4¼ per cent interest if subject to withdrawal and 4½ per cent otherwise.

Sun Life Assurance Co. will not announce its policyholders' dividend policy until about March 31, when the company's dividend year closes. For the year which started April [illegible] 1932, the Sun reduced its dividends to policyholders by 35 per cent from the 1931 scale. Since that time the shareholders' dividends were first reduced and later eliminated, but this does not necessarily indicate anything as far as future policyholders' dividends are concerned. At the time of the omission of these dividends the company stated that "policyholders' dividends are unaffected by this action."

CIGARETTE SALES SWING UPWARD AS PRICES DROP

Sharp Gain Recorded in Withdrawals During November

From Our Own Correspondent

MONTREAL. — Reflecting the stimulus which lower prices have given to cigarette sales, figures for withdrawals from bond in November were the highest to be recorded this year and the first to show an increase on a monthly comparison basis during 1932. Withdrawals totalled 388,625,140 cigarettes in November, an increase of 173,000,000 over October and the highest figure recorded in any month this year.

What is more significant, however, is the fact the November total of 388,625,140 compared with 355,716,768 cigarettes in the same month last year. This is the first time a gain has shown compared with the same period in 1931; not since August, 1931, have cigarette withdrawals equalled November's figure.

Cut Tobacco Declines

Coincident with the increase in cigarette marketings, withdrawals of cut tobacco showed a decline from November, 1931. Consistent gains have been recorded monthly during 1932 in cut tobacco as smokers swung away from manufactured cigarettes toward the home made article. With cheaper cigarettes, cut tobacco marketings have fallen off; in November they totalled 1,427,688 pounds compared with 1,451,340 in the same month of 1931.

Cigar withdrawals continued to decline. In November they amounted to 14,071,178 cigars, a decline of 353,000 from the previous month and comparing with 15,753,873 cigars in November, 1931.

Total cigarettes withdrawn from bond in the first 11 months of the year are still far below the number for the corresponding period of 1931. To the end of November last, marketings totalled 3,408,015,401 cigarettes. This compared with 4,163,463,938 cigarettes in the first 11 months of 1931.

OUTPUT OF FLOUR ON BETTER BASIS DURING OCTOBER

Production is Slightly Higher — Exports Still Below Last Year

From Our Own Correspondent

MONTREAL. — Production of flour in October last showed a slight improvement over the same month in the previous year, amounting to 1,721,598 barrels against 1,693,925 in October, 1931. Mills in Canada operated at 62.4 per cent of capacity against 60.5 per cent of capacity in October of the previous year.

Though output was higher, exports of flour continued their decline in comparison with 1931. Exports in October were 528,794 barrels, compared with 558,459 barrels in the same month of 1931. Reflecting the seasonal trend, however, both production and exports showed sharp gains over September.

Cumulative Figures Down

Canadian flour production in the first 10 months of the current year was about 9 per cent below the corresponding period of the previous year. Cumulative output to the end of October last was 11,512,521 barrels, which compared with 12,519,612 barrels in the first 10 months of 1931, or a decline of 1,007,091 barrels.

Exports in the same period showed a similar decline. To the end of October total exports were 4,082,884 barrels, which compared with 4,769,327 barrels, a drop of 686,443 barrels, or 14 per cent.

Public Utility Earnings

MEXICO TRAMWAYS, LIGHT & POWER GROUP

Mexico Tramways & Subsidiaries

November:	1932 Pesos	1931 Pesos	Decrease Pesos
Gross earn.	683,290	737,910	54,620
Oper. exp.	909,530	777,270	†132,260
Net earn.	*226,240	*39,360	186,880
Aggre. gross from Jan. 1	7,423,690	8,500,230	1,076,540
Aggre. net from Jan. 1	*2,361,310	*811,790	1,549,520

Mexican Light & Power Subsidiaries

November:	1932 Pesos	1931 Pesos	Decrease Pesos
Gross earn.	2,260,100	2,007,970	†252,130
Oper. exp.	1,391,140	1,085,070	†306,070
Net earn.	868,960	922,900	53,940
Aggre. gross from Jan. 1	23,885,210	21,841,475	†1,993,735
Aggre. net from Jan. 1	8,732,640	9,523,610	790,970

*Deficit.
†Increase.

Barcelona Traction

November:	1932 Pesetas	1931 Pesetas	Increase Pesetas
Gross earn.	10,092,505	9,268,754	823,751
Oper. exp.	3,439,129	3,112,598	326,531
Net earn.	6,653,376	6,156,156	497,220
Aggre. gross from Jan. 1	100,883,004	97,498,586	3,384,418
Aggre. net from Jan. 1	66,707,656	63,915,546	2,792,110

BUILDING VALUED AT $132,872,400 FOR YEAR 1932

Opinion Expressed That Material Prices Will Rise

Construction in Canada during 1932 slumped to a level, measured in value, not experienced since 1918. For the Dominion, $132,872,400 in new construction was, undertaken during the year, a monthly average of $11,072,700, according to MacLean Building Reports, Ltd.

This authority sees the "present buyers' market ripe for a change." It is pointed out that prices of both labor and construction materials have reached a low point, but that an upward trend for material prices already under way. This is shown by a rise in the Dominion Bureau of Statistics index from 75.7 in August, 1932, to 77.1 in November. With the spring building season not far away, it is thought by MacLean's that this rise is likely to continue.

Deferred Construction

In connection with the failure to commence construction amounting to over $53,000,000 in 1932, the MacLean Building Review states:

"The estimated value of construction proposed but not started during 1932 amounted to $53,145,000 There were few, if any jobs, which did not merit procedure. They were shelved either because of lack of money or confidence. or both.

"For too many months there was an absolute lack of first mortgage money in volume. Buildings which did proceed were financed entirely by private funds. The first sign of sufficient money showed up at Toronto in the fall. First mortgage loans were made for houses only, at seven per cent interest. Progressive loans to fifty per cent of valuation whether the houses are to be built on speculation or for owner occupancy are being made in Toronto. It seems a sound basis for loans. If the owner has confidence to finance half the cost, the mortgagor is not taking too much risk. The fact that money is seeking work in one branch of building, probably means that building loans are once again offering a sound and better reward than other forms of permitted investment.

"The law of supply and demand is what determines the amount of building to be undertaken. When this law gets to work on construction which involves the expenditure of large sums, it functions more slowly than with purchases of less moment. Thus, the slump in building did not occur as quickly as in general business. The upturn will take time to gain momentum.

"The percentage of residential vacancy is not high. People must have shelter. Even in a few months an oversupply has developed into a severe shortage in the past and it will do so again. Office and warehouse leaseholders are finding it advantageous to change to more suitable and up-to-date quarters in modern buildings. This places a severe strain on the owners of older structures. Heavy vacancies will hasten the day when they will modernize or replace."

Of the total construction carried on in Canada during 1932, the greatest value of new work was started in Quebec. That province took care of 39.5 per cent of the Dominion total, the contracts being valued at $52,525,300. Ontario came next with $49,291,800, a decreasefrom 1931 of 60.7 per cent.

New Construction in Canada
(000's omitted)

	Total 1932 $	Total 1931 $	1932 Decline from 1931 %	1932 Portion of total %
Quebec	52,525	106,125	50.5	39.5
Ontario	49,291	125,452	60.7	37.1
Brit. Col.	8,558	29,704	71.7	6.5
Alberta	5,948	14,334	58.5	4.5
Manitoba	4,503	13,797	67.3	3.4
N. Bruns.	4,258	9,756	56.3	3.2
N. Scotia	4,009	6,923	42.1	3.0
Saskatch.	2,705	9,200	70.5	2.0
P. E. I.	1,071	186	480.5*	.8
Canada	132,872	315,482	57.8	100.0

*Increase.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold To	Rate	Due	Amount	Price	Yield
Carleton Place, Ont.	Dec.		5%	20-yr.	$22,300	95	......
Amherst, N.S.	Dec.	A. E. Ames & Co.	5%	1950	15,000	95.03	5.44%

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932 $	Net Income 1931 $	Common earnings 1932 $	Common earnings 1931 $	Curr. divid. $	Balance car. fwd. 1932 $	Balance car. fwd. 1931 $	Mkt.	Mkt. times earn.	Yield %
Bank of Toronto	Nov. 30	*1,044,898	*1,168,915	†13.07	†15.15	10	496,301	431,908	163	12.4	6.1
Bk. Can. Nationale	Nov. 30	*972,075	*1,001,940	†12.29	†12.74	10	210,244	205,169	128	10.4	7.8
Can. Bank of Commerce	Nov. 30	*4,279,424	*4,774,924	†11.93	†13.08	10	519,500	535,683	140	11.7	7.1
Dominion Bridge	Oct. 31	766,774	1,657,817	1.49	3.23	2	3,938,667	4,328,283	16	10.7	12.5
Kelvinator of Canada	Sept. 30	‡58,482	130,069	...	0.84	..	12,726	76,597	2¾	...	...
Canada Cement	Nov. 30	784,931	1,558,191	...	0.32	...	762,681	658,427	2½	...	...
Dryden Paper	Sept. 30	‡48,258	5,311	...	...	...	119,492	167,750	1	...	...

*After deducting expenses of management and making provision for bad and doubtful debts, interest accrued on deposits and rebate on discounts. †After deducting tax on circulation reserve for taxes and amount written off bank premises, etc. ‡Deficit.

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TORONTO, JANUARY 7, 1933

PUTTING OTTAWA ON THE SPOT

ONE of the most travelled and most knowledgeable writers in the world is Isaac F. Marcosson, of the Saturday Evening Post. In the past Mr. Marcosson has shown the friendliest possible spirit toward Great Britain and Canada. Under all these circumstances one might expect that the independent judgment of Mr. Marcosson on the Imperial Economic Conference and the agreements reached at Ottawa would be enlightening.

But a reading of Mr. Marcosson's article last week, entitled "Imperial Trust, Ltd.," reveals that it is not an unbiassed, outside interpretation of the conference but another in the series of propaganda articles that Saturday Evening Post writers have been turning out during the last few years, since the Post decided to out-Hearst Hearst in breeding distrust of other nations and preaching economic isolation for the Americans.

Mr. Marcosson was good enough to quote The Financial Post at some length but we trust that no one will assume that Mr. Marcosson could draw extensively upon a supply of quotations from this paper to support his main premise that the Imperial Conference agreements are an unfriendly challenge to American industry which can only be met by America-First-and-Last policy.

Mr. Marcosson concludes his article with three statements. The first reads as follows:

> "On one point, American exporters may rest certain. Possible American tariff reduction, in view of the Democratic victory, will not inspire any corresponding lowering of the Canadian barriers."

On the contrary if the United States will lead in tariff reductions as it led in tariff increases, Canada is almost certain to follow whether a Conservative or Liberal government is in power.

The second statement reads as follows:

> "So long as Bennett has his way, the only new Canadian trade pacts will be intra-Empire."

On the day Mr. Marcosson's article appeared the government announced a trade treaty with Germany and on the next day the prime minister announced that negotiations for a trade treaty with France were proceeding favorably.

Mr. Marcosson's concluding paragraph reads:

> "The moral of Ottawa for us is obvious. Less sentimentalizing about the rest of the world, which has its axe out for us, and more 'Buy American' practice, constitute the best counter to the latest international alignment."

The moral that is drawn is absurd. The Empire has merely followed the example of the United States in attempting economic integration through fiscal policies. The economic union is unfriendly to no other country and if it is successful it must help all countries by promoting larger world purchasing power.

But the last paragraph in the article, like the last paragraph in most recent Saturday Evening Post articles, was probably written first. All that went before, brilliant, illuminating and factually accurate in the main as it is, was no doubt written to reach the foregone conclusion in the shortest and most convincing manner.

WASTE IS WASTE ANYWHERE

WESTERN critics of The Financial Post's recent articles on the Hudson Bay Railway all wind up by saying that no doubt The Post will be less critical of the expenditure of millions of dollars on the St. Lawrence Waterway.

The obvious inference is that The Post condemns the expenditures on the Hudson Bay white elephant because these expenditures were made in the West and that it would condone similarly wasteful expenditures on the St. Lawrence because the expenditures would be made in the East.

The Post cannot leave unanswered this thoroughly unfair charge, which has been voiced by letters of at last three writers to the editor, by two or three Western newspapers and by the commissioner of the Saskatoon Board of Trade, who knows better but who is apparently touchy on the Hudson Bay Railway.

Governmental waste and extravagance, contractors' rackets and sectional public works bribes are unsound and rotten no matter where the money is spent. The Financial Post represents no one area in Canada and is therefore not in the slightest degree interested in the expenditure of government money in one area at the expense of the others.

In criticizing, over a long term of years, the pork barrel development of the Hudson Bay route, The Financial Post was influenced solely by its realization of the responsibilities of a national rather than a sectional newspaper.

Our attitude on the St. Lawrence Waterway has been frequently stated. We have expressed the opinion that the evidence that the seaway channel will be commercially successful is not yet convincing; that the financial position of the country does not warrant the expenditure and that in any event the seaway should not be proceeded with until the country has adopted a policy of charging tolls on its waterways and then only if it becomes apparent that on the basis of charging tolls the waterway will be entirely self-supporting.

Propagandists for the Bay route should turn back in their files to the promises they made for its immediate success and compare them with the absolute failure of the route to date.

ANOTHER ANGLE ON INFLATION

THOSE who have been advocating a further depreciation of the Canadian dollar, to a point more nearly approximating the relative discount on sterling from its gold par, might well consider one possible result of such a policy.

In addition to the extra burden such depreciation would place on Canadian citizens, corporations and governments owing debts abroad, particularly in the United States, there is a distinct possibility that foreign countries would raise special duties against importations from Canada. Two examples of such action may be cited: the extra duty on lumber imposed by the United States to protect its western producers against shipments to the Pacific coast market from British Columbia, and Canada's own heavy duty on merchandise imports from the United Kingdom valued in the depreciated sterling currency. These two special tariff schedules were imposed solely to counteract the advantage of the exporters due to their depreciated currencies. Other examples would not be hard to find.

Exporters, some of whom have been strong proponents of further depreciation of the Canadian dollar, might find any seeming advantage of such a policy offset by this type of tariff. It would be well to look before leaping to the conclusion that the export trade of this country would benefit from tampering with Canadian dollar exchange in direct relation to the degree of discount from par.

REFORMING ACCOUNTS OF ONTARIO

THE Ontario provincial government announces the formation of a budget committee to bring about various internal reforms that are thought desirable in the handling of the province's finances. While the committee consists largely of members of the cabinet and provincial officers there is one outside representative, Colonel H. D. L. Cordon, of a well known firm of chartered accountants. The advice of such an outstanding chartered accountant should be of value in helping to bring the provincial accounting systems and methods up-to-date and in line, so far as possible, with modern practice.

Most of the provinces could easily improve their accounting and reporting methods. The need for improvement is, however, more marked in Ontario than in any other province and the most striking evidence of this is to be found in the public accounts which are as heterogeneous a collection of unrelated statements and accounts as one could find anywhere. If the new budget committee did nothing more than make the public accounts of Ontario intelligible to the average business man, accustomed to the simplicity and directness of modern corporation accounts, it would do a good work. But it is not to be expected that the committee will stop at that goal. Rather it will enquire into and examine all departmental expenditures; study the existing organization of departments and branches with a view to the elimination of duplication and overlapping; standardize forms of accounts of the various institutions and departments; co-ordinate services and purchasing; and generally make suggestions looking toward efficiency and economy in departmental expenditures and in the collection of provincial revenue.

It is harder for governmental officers to get out of bad habits than to get into them and the Hon. E. A. Dunlop, provincial treasurer of Ontario, is doing the taxpayers and citizens generally a good turn in having the province's financial and accounting habits pried into to see where improvement can be effected.

MR. HEPBURN MAKES A BIG PROMISE

MITCHELL HEPBURN, Liberal leader for the Province of Ontario, gave a speech in Toronto recently in which he told some of the things he would do if he were prime minister of the province. He said that the first thing he would undertake to do would be to reduce the expenditures of government by abolishing a great many departments and governmental offices that were not really necessary and by eliminating a great deal of duplication of effort within the provincial government and as between the provincial and dominion governments.

This is a very interesting suggestion. Mr. Hepburn makes no mistake when he speaks of over-government in Ontario. It would be a real pleasure to have Mr. Hepburn elaborate upon his suggestion and indicate what, in his opinion, are some of the functions now performed by the Province of Ontario that might better be performed by private initiative or by other governments.

Unfortunately, one's faith in Mr. Hepburn's ability to carry out such a programme — assuming he becomes premier of Ontario at the next elections as he believes he will — is weakened considerably by a knowledge of the fact that it is not only the Conservative governments in Canada that have constantly enlarged the scope of activity of governments. The Liberal governments, whenever they have been in power in Ottawa or in the provinces have been quite as active in encroaching upon the field of individual responsibility and in enlarging the functions of governments.

For that matter, in the very address in which he promised a reduction in governmental expenditures, Mr. Hepburn made a strong plea for the adoption of a scheme of unemployment insurance in Canada to which contributions would be made by governments, employers, and working men.

Thus, Mr. Hepburn is proceeding along the lines of most political speakers. He is promising economy and reduced expenditure in general terms and urging increased expenditures in very specific terms.

In any event, Mr. Hepburn is on record with his promise and if the turn of the tide sweeps him into a ministerial bench in Queen's Park, Toronto, it will be possible for business men to ask him what he is going to do about implementing that promise.

But we doubt if Mr. Hepburn realized how close he came to putting his finger upon the real cause of the rising cost of government in Canada.

CONTRACTORS' RACKETS AND TAX BILLS

IN CANADA a very definite cause of rising taxation is the contractor's racket.

If we could estimate the amount that has been added to the public debts of the Canadian people through the influence of vast spending schemes inaugurated to make profits for political groups of promoters and contractors the total would probably be numbered in at least ten figures.

This is no new development. The Grand Trunk Railway was originally promoted by an English group who were more interested in making a huge financing and contracting profit than they were in providing for Canada a service in the new field of transportation. In the case of the Grand Trunk Railway it took two generations for this promotion to come home to roost where most of promotions of this type find their ultimate lodging place. Most of them are unloaded upon the public within a shorter time than that. The provinces of New Brunswick, British Columbia and Alberta all carry in their public debts very large sums representing the unwise investment made by these provinces in railways, investments made under the stimulus of promotional propaganda.

Many huge undertakings are proceeded with by promoters in the secure knowledge that they can unload them on the public at some convenient date. Sometimes the procedure utilized is to get a "heads I win; tails you lose" guarantee of the bond issues from the government. If the enterprise is an outstanding success, the surprised promoters may keep it for themselves, either for all time or until signs of disintegration appear. Governments have no right to pledge public credit for private undertakings. If the projects cannot attract investment funds on their inherent promise they have no right to be built.

Sometimes the procedure is for the contractors' and promoters' organizations to set up various dummy associations to carry on propaganda in the name of the public urging the construction by some government of a great public work supposed to be in the public interest. The hands of governments are forced, either through the political pressure created by this propaganda or by direct campaign fund contributions or even, on a few occasions in Canadian history, by straight graft; the public works are proceeded with and the taxpayer is loaded with the burden.

Our governments should consistently refuse to use the public credit as a monkey's paw to pull private chestnuts out of the fire. Until we steel ourselves against the self-interested propaganda that brings such things about we shall not be able to prevent similar raids upon the public treasury in the future.

EDITORIAL NOTES

National Geographic Society lists among the great engineering achievements of 1932 the Beauharnois power canal and the railway to Moosonee.

* * *

Dr. Leon Feuchtwanger says that only 40 per cent of the Americans he met were Babbit's. That leaves 40 per cent for the Mrs. Babbit's and 20 per cent for the Gantry's.

* * *

One sign of the depression is that there are only 16 pages of Smith's left in the Manhattan telephone directory. Those who have tried to call up friend John Smith in New York will hope the depression goes on.

POST-scripts

RECENTLY we observed in the newspapers a report of the death of a gentleman from one of the more obscure European countries who was at one time ambassador of his government at Washington. This impels us to tell a rather grim story about him but in order not to start an international rumpus we withhold all names, although those with sharp memories and sleuthing instincts will find enough here to develop the story further if they like.

It happened in the excitable days immediately after the war when young European countries were not too squeamish about the methods they used to maintain themselves against real and fancied aggressors, when the enemies within the state were often more powerful than the enemies without; when censorship and martial law were in order.

One evening a Canadian business man was having dinner at the embassy of this particular country in Washington. A secretary entered with a cablegram which he handed to the ambassador to read. The minister was somewhat annoyed at the interruption and to make himself appear as little discourteous as possible to his guests he read the cablegram aloud. It stated that an American newspaper man had been arrested on suspicion. Would the ambassador please cable instructions as to what to do with him.

The diplomat asked for suggestions from his guests. One of them — not the Canadian — suggested humorously "Have his head cut off." The minister, not to be outdone in whimsical humor, turned to the attache and said "Tell them to cut his head off."

The sober-faced attache retired without a smile.

A few days later the Canadian was horrified to read in the United States press a despatch from the European capital that an American newspaper man had died suddenly of enteric poisoning. The name was that of the journalist mentioned in the cable. He wondered if enteric poisoning was not the polite official word used for purposes of American propaganda, to describe the careful manner in which the officials at home had literally carried out the instructions they received from Washington.

THE current issue of the Aeroplane quotes the following story from an American source as being "a perfectly true story which deserves to become an aeronautical classic:"

> Two Americans were journeying from India to England by Imperial Airways, and at Basra two Iraqi gentlemen boarded the machine. After it had taken off one of the Americans went over to the Iraqis and asked whether they would care for a game of bridge. They consented, and the four played bridge steadily all the way to Baghdad.
>
> When the machine alighted at Baghdad it was received by a Guard of Honor, and a body of functionaries, and a band, and banners. The two Iraqi gentlemen stepped out, everybody sprang smartly to attention, the band played, and the two drove off in a magnificent Rolls-Royce.
>
> The rather astonished American turned to one of the Imperial Airways officials and said, "Say, who are those two guys?" and the Imperial Airways man replied, "Don't you know? That is King Feisal, and the other is his aide-de-camp."
>
> "Gee," said the American. "If anybody had told me in my little home town in Oklahoma that I should play bridge in the air, over the Garden of Eden, with a reigning monarch—and that he would take 150 good American dollars off me at a game that I thought I knew—I should have called him a liar!"

Other People's Views

Where Are the Optimists?

The Times, New York.—The moral of the German comparison is that we have been hard hit but that we ought to be ashamed of the way we carry on. Here is Germany, defeated in war, humiliated, deprived of territory and natural resources, her navy virtually gone, her foreign trade shattered, her internal economy disrupted; yet out of such a catastrophic fall the German people within ten years climbed back to very near their pre-war prosperity.

But in this country, with natural resources, man-power, surviving wealth and a tradition of energy and optimism that far surpasses the German showing, people stand about wringing their hands and waiting for the end of the world. The 100 per cent gospels of social dissolution just around the corner find a circulation here that is not approached in the recently war-wrecked countries of Europe.

Quack Remedies

Toronto Telegram: Inflation as a cure for the depression would be just as effective as the mistaken notion held at the inception of the business slump that the federal, provincial and municipal governments could undertake enough expenditures to give employment to everybody. A little thought reveals the unsound and impossible nature of such quack cure-alls.

Economists and Bankers

P. C. R. in the Vancouver Province: John Maynard Keynes is an economist, and the function of an economist nowadays is to invent a new form of words for saying that everything is just as rotten as it possibly can be, and rapidly getting worse. And Sir Josiah Stamp is a banker, and the function of a banker nowadays is to maintain confidence by saying that confidence must be maintained.

Return of the Nickel

Buffalo Courier-Express).—Things are looking up. They say the nickel is back, that it is good for more than a tip to the boy who blacks your shoes. You can get a meal with it, you can see a show with it, you can buy a necktie with it, and Vice-President Marshall, if he were still with us, could go out and get all the good five-cent cigars he could possibly carry. The advantage of all this may be just a little doubtful. Perhaps it is reflective of too much deflation. Probably there are experts who will tell us so. But anyhow, when one has only a nickel or possibly a few nickels, it is rather nice to feel that they are not merely so much waste material taking up unnecessary pocket room. Besides, there will be some to tell us that return of the nickel is evidence of a returning sanity.

"Stop Me If You Have Heard This One"

A modest Scotchman, in speaking of his family, said:

"The Douglas family is a verra, verra auld Scotch Scotch family. The line rins awa' back into antiquity. We dinna ken hoo far back it rins, but it's a lang, lang way back, and the history of the Douglas family is recorded in five volumes. In aboot the middle of the third volume, in a marginal note, we read; 'Aboot this time the warld was created'."

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By F. S. C.

A NEW COMPETITION

COMPETITIVE currency depreciation is a phenomenon new to this world. It is being witnessed today. There are many people who urge that Canada should further inflate and allow its dollar to sink to the level of the pound, giving us advantages in foreign trade that we have not now.

One thing is certain, the United States is being slowly but surely isolated by currency depreciation in other countries. Canada has stolen the European wheat trade; Australia that of the Orient. U. S. ocean travellers use Canadian boats to save on exchange. In addition to losing out in foreign trade from having an unreachable dollar, the United States is observing increasing competition in her domestic market.

The U. S. Tariff Commission is busy with appeals for help from the domestic industries against this intrusion, and President Hoover recently has approved recommendations by the commission for higher duties in a number of cases. Reports are current of American manufacturers who are considering the possibility of producing abroad to supply their regular trade in this country

The United States has no exchange differential in its tariff as we have.

* * *

NATIONAL CITY BANK, New York, discussing this subject says there can be no question that depreciation of currencies has brought into trade a new and demoralizing competition. It is sometimes suggested that the United States should join in this competition to protect itself from the consequences to its trade, and should therefore cut loose from the gold standard and depreciate the dollar. but this only illustrates the infectious character of dangerous ideas. In Great Britain, as is well known, there are many advocates of a cheaper pound, and in Canada of a dollar cheapened in relation to the pound.

The New York bank does not agree that a country strengthens its competitive position by depreciating its money. The theory, it says, is deceptive and utterly unsound. One country adopting this course may gain a temporary advantage in export trade by offering goods at the same nominal price in cheaper money, but once the competition is entered upon there is no stopping place short of the zero point for all. It is the most uncontrollable, demoralizing and fruitless competition that can be imagined.

* * *

THERE can be no gain in the competitive capacity of a country by cheapening its money, except as some factor in production may have its real compensation in the shuffle. If labor is willing to receive the same pay in a money of lower purchasing power, costs and prices can be reduced to this extent.

The Union of South Africa, which is the chief gold-producing country of the world, has abandoned gold payments. The Mine Operators' Association has been urging this course ever since Britain left the gold basis, for the scarcely concealed purpose of effecting a reduction of wages. If the gold output sells at the present premium of gold over the sterling currency, (about 33 per cent) and mining wages can be paid in the depreciated currency at the same rates as heretofore, the gain to the mining companies will be important. It is urged that the life of many of the old mines can be substantially prolonged by the change.

* * *

THE price changes resulting from a depreciated currency may come so gradually, especially in a time of depression, as not to be noticed for some time, but this is pure deception, according to the National City bulletin. In the long run all relations tend to make corresponding readjustments, although there never can be complete compensation for the injustices that result.

All of the countries whose currencies are depreciated and fluctuating under varied influences, including the manipulation of speculators, are anxious for some constructive action to stabilize the exchanges, but there is no denying the fact that the war debt payments are everywhere regarded as a menace to all efforts of this kind.

Says Saturday Evening Post Menace to World Recovery

The Globe, Toronto

A letter from a valued reader of The Globe published elsewhere on this page refers to articles in the Saturday Evening Post of Philadelphia which he describes as "constantly increasing in their bitterness and unfairness, criticizing the actions of all countries save the United States." The Post is a widely circulated journal with many readers in Canada, and, presumably, its campaign is not without influence. At the same time it has received vigorous criticism, as may be judged by extracts from a lengthy article in a recent issue of the Texas Weekly, which has no illusions as to where markets must be found for cotton and numerous other commodities.

The Post, says the Texas Weekly, "proposes nothing less than a nationwide boycott of foreign goods. And it has unfurled to the breeze a patriotic banner bearing the slogan, 'Buy American!' To which the millions of American cotton farmers, wheat farmers, tobacco growers, and the producers of copper, of kerosene, of lubricating oil, of turpentine, of rosin, of typewriters, of machinery, and of other things that depend on the export market, might reply: "With what?'" "More in sorrow than in anger," the Texas paper sums up:

"We have been wondering for some time what has come over the Saturday Evening Post. It still carries the name of George Horace Lorimer as its editor. Its masthead still proclaims that it is published by the Curtis Publishing Company. But its policy has changed radically. One would think that Mr. Hearst had acquired control of it, for the same kind of poisoned propaganda and cheap sensationalism which are characteristic of his publications and his news services have been becoming increasingly predominant in its pages. Is it possible that it has adopted its present policy with the idea that in this way it can retain and increase its enormous circulation during the present depressed times? Is it possible that it believes it can win American advertisers over to the narrow view that they can have a stable and growing home market without a stable and expanding world trade? We do not know, of course. But if these speculations are in any degree truly descriptive of its motives, it is to be feared that the Post is on the way toward becoming a menace to our national prosperity."

While urging that foreign goods be shut out, the Post wants the war debts collected. The question of the Texas Weekly applies in the latter case also: "With what?"

It is futile to expect the American people to consume American production. They have not been doing it; they are not doing it. They buy only about 10 per cent of Texas cotton, which, directly and indirectly, provides a livelihood for 4,000,000 people. If 90 per cent of this livelihood is cut off, so is 90 per cent of the buying power for other United States products. The same rule applies to other commodities. It is little wonder the Texas Weekly fears the Saturday Evening Post is becoming a menace to national prosperity—and therefore to world prosperity.

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The Royal Bank of Canada

General Statement 30th November, 1932

LIABILITIES

Capital Stock Paid up		$35,000,000.00
Reserve Fund	$35,000,000.00	
Balance of Profits carried forward	1,166,954.95	
	$36,166,954.95	
Dividends Unclaimed	14,996.29	
Dividend No. 181 (at 10% per annum), payable 1st December, 1932	875,000.00	
		37,056,951.24
		$72,056,951.24
Deposits not bearing interest	$128,983,165.53	
Deposits bearing interest, including interest accrued to date of Statement	468,391,153.26	
Balances due to other Banks in Canada	662,915.70	
Balances due to Banks and Banking Correspondents elsewhere than in Canada	21,056,908.77	
		619,094,143.26
Notes of the Bank in circulation		28,733,752.74
Advances under the Finance Act		25,000,000.00
Bills Payable		199,852.87
Liabilities not included in the foregoing		335,768.32
Letters of Credit Outstanding		20,092,951.71
		$765,512,920.14

ASSETS

Gold and Subsidiary Coin on hand	$28,168,913.49	
Dominion Notes on hand	38,046,090.25	
Deposit in the Central Gold Reserves	3,000,000.00	
United States and other Foreign Currencies	16,012,894.92	
		$85,227,898.66
Notes of other Canadian Banks	2,087,242.18	
Cheques on other Banks	18,667,993.61	
Balances due by other Banks in Canada	2,232.25	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	58,645,357.92	
		79,402,825.96
Dominion and Provincial Government Securities (not exceeding market value)		89,448,844.13
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian (not exceeding market value)		26,750,444.41
Railway and other Bonds, Debentures and Stocks (not exceeding market value)		9,748,496.47
Call and Short (not exceeding thirty days) Loans in Canada on Bonds, Debentures and Stocks and other Securities of a sufficient marketable value to cover		28,951,263.41
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Bonds, Debentures and Stocks and other Securities of a sufficient marketable value to cover		36,400,142.54
		$355,929,915.58
Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	$252,380,972.62	
Current Loans and Discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	104,167,441.69	
Non-Current Loans, estimated loss provided for	4,013,872.16	
		360,562,286.47
Bank Premises at not more than cost, less amounts written off		17,194,887.80
Real Estate other than Bank Premises		2,431,601.64
Mortgages on Real Estate sold by the Bank		870,947.78
Liabilities of Customers under Letters of Credit as per contra		20,092,951.71
Shares of and Loans to Controlled Companies		6,326,569.08
Deposit with the Minister for the purposes of the Circulation Fund		1,600,000.00
Other Assets not included in the foregoing		503,760.08
		$765,512,920.14

NOTE—The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris, and the assets and liabilities of The Royal Bank of Canada (France) are included in the above General Statement

H. S. HOLT,
President

M. W. WILSON,
General Manager

AUDITORS' CERTIFICATE

TO THE SHAREHOLDERS, THE ROYAL BANK OF CANADA:

We have examined the above Statement of Liabilities and Assets at 30th November, 1932, with the books and accounts of The Royal Bank of Canada at Head Office and with the certified returns from the branches. We have verified the cash and securities at Head Office at the close of the Bank's fiscal year, and during the year we counted the cash and examined the securities at several of the important branches.

We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank, which have come under our notice, have been within the powers of the Bank. The above statement is in our opinion properly drawn up so as to disclose the true condition of the Bank as at 30th November, 1932, and it is as shown by the books of the Bank

A. B. BRODIE, C.A.,
of Price, Waterhouse & Co.
JAS. G. ROSS, C. A.,
of P. S. ROSS & SONS.
} Auditors.

Montreal, Canada, 28th December, 1932.

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 30th November, 1931	$4,155,105.61	
Profits for the year ended 30th November, 1932	4,861,849.34	
		$9,016,954.95
APPROPRIATED AS FOLLOWS:		
Dividend No. 178 at 12% per annum	1,050,000.00	
Dividend No. 179 at 12% per annum	1,050,000.00	
Dividend No. 180 at 10% per annum	875,000.00	
Dividend No. 181 at 10% per annum	875,000.00	
	$3,850,000.00	
Contribution to Officers' Pension Fund	200,000.00	
Appropriation for Bank Premises	200,000.00	
Reserve for Dominion Government Taxes, including Tax on Bank Note Circulation	600,000.00	
Transferred to Investment Depreciation Reserve	3,000,000.00	
Balance of Profit and Loss carried forward	1,166,954.95	
		$9,016,954.95

H. S. HOLT,
President
Montreal, 28th December, 1932.

M. W. WILSON,
General Manager

Business Conditions in Canada

The Week in Business

Canadian Buying Power Drops 21 Per Cent in 1932

Farm Productivity Suffers Least Though U. S. Picture Different

But Farm Buying Power Offset by Price Level

ONE of the most important compilations published regularly at this time in The Financial Post, is the annual estimate of purchasing power of the Dominion made by The Financial Post Business Year Book. This estimate is made on the basis of the productivity of all gainfully employed persons in Canada and is compiled after a painstaking survey of each source of industrial production throughout the past year. The final figure for the year is $3,029,210,000 which compares with a corresponding total of $3,856,400,000 in 1931 and a peak of $6,342,300,000 in 1928.

The decline in purchasing power on this basis was approximately 21.5 per cent in 1932 as compared with a corresponding drop of 20 per cent in 1931. On a per capita basis the 1932 figure is $292 as against $372 in the previous year. By provinces, Ontario maintains its position in first place with a figure of $371 in 1932, followed by British Columbia with $365 and Quebec with $295. Prince Edward Island is in last place with $143.

* * *

ANALYSIS of the changes which have taken place in the buying power of various industrial groups discloses important changes which have been brought about during the year. Agricultural production shows relatively the least decline due to the substantial improvement in crop production which almost offset the drastic decline in prices which continued during the year. Thus agricultural production is estimated as only 9 per cent below 1931. On the other hand construction showed the greatest percentage decline with a drop of over 56 per cent. Forestry came next with a drop of nearly 42 per cent. Manufactures which account for 53 per cent of the gross industrial production of the Dominion showed a decline of almost 24 per cent, while mining production was lower by almost 20 per cent; fisheries by 18 per cent and electric power production by 13.6 per cent.

Perhaps it may be some consolation to the Canadian farmer to view his position relatively to his agricultural brother in the United States. Figures released there recently indicated that the gross income for farm production in 1932 would be but $5,240,000,000 which represents a drop of almost 30 per cent from the corresponding figure of 1931. This compares with a decline in purchasing power of but 9 per cent for the Canadian farmer in 1932. The buying power of the United States farmer in 1932 is placed roughly 56 per cent less than the peak year of 1929 while the 1932 purchasing power of the Canadian farmer is currently about 50 per cent less than the peak year of 1928.

* * *

THE mere statement of figures of farm purchasing power, however, does not tell the entire story, of course, for the most disturbing feature of the agricultural situation is the disproportionate decline in prices of agricultural products as compared with prices of other goods and services. This is aptly outlined in the current survey of the agricultural situation published by the U. S. Department of Agriculture which points out that prices of farm products this autumn stood at an index of 54 (the pre-war average being taken as 100) while on the same basis, prices paid for commodities bought were 106; farm taxes 250; farm wages 84; the general wholesale price level for all commodities 94 and industrial wage rates 175.

These discomforting facts may well be considered in relation to farm buying power estimates for 1932. As may also the fact that in the majority of cases the moneys received by individual farmers as their share of 1932 productivity has been insufficient to cover costs of production, let alone net a living wage or profit.

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EMPLOYMENT OFF LESS THAN USUAL FOR DECEMBER 1

Seasonal Correction of Index Shows Rise Over Nov. 1

Seasonal reduction in employment at Dec. 1, 1932, was on a much smaller scale than at the same time in 1931 and was also less than the average decline at Dec. 1 for the last 11 years. After adjustment for the seasonal influence, the index number rose slightly from 82.0 on Nov. 1 to 82.4 on Dec. 1.

The actual number of persons employed at Dec. 1 by the 8,061 firms reporting was 765,441 compared with 779,015 a month previous, according to the Dominion Bureau of Statistics. The index number for Dec. 1 is lower than in any of the last 11 years, as is shown in the following table:

Index Numbers of Employment in Canada
(Before Seasonal Correction)

Dec. 1	Index	Dec. 1	Index
1921	88.3	1927	108.1
1922	96.3	1928	116.7
1923	96.9	1929	119.1
1924	91.9	1930	108.5
1925	96.5	1931	99.1
1926	102.3	1932	83.2

Losses in Construction

Large losses in employment were reported in construction and there were smaller reductions in manufacturing, transportation, mining and services. On the other hand, material improvement was noted in logging and trade and shipping also had an increase. Within the manufacturing group, improvement took place in rubber, tobacco, and iron and steel plants; the gains in metal trades were chiefly due to resumption of operations in large railway car shops which had been closed for several weeks.

The index for manufacturing employment dropped from 81.7 at Nov. 1 to 80.3 at Dec. 1, the latter index being improved to 81.3 by correction for seasonal trend. The numerical decline in employment in manufacturing amounted to 4,939 persons between Nov. 1 and Dec. 1, the total being 398,546 operatives on the latter date. After the seasonal allowance there was a slight increase over Nov. 1.

Of the eight centres for which separate tabulations are made, Montreal and Windsor and the adjacent Border Cities showed improvement as compared with Nov. 1, while lessened activity was reported in Quebec City, Toronto, Ottawa, Hamilton, Winnipeg and Vancouver.

Montreal.—There was an increase in the employment afforded by the 1,119 co-operating firms, whose staffs were enlarged by 476 persons to 125,278 at the beginning of December. Manufacturing showed heightened employment, largely owing to the reopening of important railway car shops. Tobacco factories also reported improvement. Retail trade was seasonally active, and employment increased about the port in preparation for the winter shutdown. Construction registered considerable losses and the service group was also slacker.

Quebec.—Industrial activity in Quebec City declined, 371 workers being laid off by the 152 employers whose returns were received, and who had 11,970 employees on Dec. 1. The largest contractions were in manufacturing, mainly in leather factories, while other groups showed only slight changes.

Toronto.—Continued decreases in personnel were recorded in Toronto by 1,209 firms who employed 109,188 persons, as compared with 110,847 at the beginning of November. Trade showed noteworthy improvement, but textile, electrical apparatus and other manufacturing establishments. transportation and construction reported reductions.

Ottawa.—Moderate curtailment was shown in Ottawa chiefly in manufactures and transportation; 156 employers recorded a combined payroll of 11,796 workers, as against 11,969 in their last report.

Hamilton. — A decline occurred in Hamilton, where an aggregate working force of 24,001 persons was employed by the 237 firms furnishing data, who had 24,476 employees on their Nov. 1 staffs. Manufacturing as a whole was slacker, in spite of moderate gains in iron and steel; the losses in the food group were most pronounced. In the non-manufacturing division, highway construction also showed curtailment.

Windsor and Border Cities.—There was an increase in the Border Cities, mainly in iron and steel plants. Statements were tabulated from 136 employers with 8,151 workers, or 187 more than in the preceding month.

Winnipeg. — Employment decreased in Winnipeg, according to data received from 395 firms employing 34,315 persons; as compared with 35,310 on Nov. 1. A large reduction took place in manufacturing, chiefly in iron and steel; telephones showed heightened activity.

Vancouver.—There was also a contraction in Vancouver, according to 339 employers of 26,413 workers, or 637 fewer than on Nov. 1. Manufacturing and construction were slacker.

Canada Buying Power Down 21.5 p.c. in 1932 Says Business Year Book

Nation-wide Survey Shows Ontario Retained First Place in Purchasing Power For Past Year—Agricultural Revenue Down Least

Per capita purchasing power in the Dominion dropped 21.5 per cent in 1932 from the previous year, according to the estimate made by The Financial Post Business Year Book, this being the second year in succession that this decrease has occurred. The decline in 1931 was just over 22 per cent. The per capita figure for 1932 was estimated to be $292, compared with $372 in the previous year.

By provinces, Ontario maintains its position in first place with a figure of $371 in 1932, followed by British Columbia with $365 and Quebec with $295. Prince Edward Island is in last place with $143. British Columbia and New Brunswick have the greatest percentage decreases with 26.7 and 26.1 per cent respectively and Prince Edward Island the least with 8.9 per cent.

Productivity, for the purpose of this analysis, is taken to be the selling value of industrial products at works, farms, etc. Owing to lack of data it is not possible to make an accurate estimate of the average income of gainfully employed persons in Canada. Purchasing power on the basis of annual productivity is considered to be the most accurate figure.

The estimated figure for 1932 indicates a total production for 1932 of $3,029,210,000 as compared with $3,856,400,000 in the previous year and $6,342,300,000 in the peak year of 1928. Analyzed by groups the smallest percentage decline is in agriculture where productivity in 1932, according to The Financial Post Business Year Book estimate, declined less than nine per cent. Construction declined the most with a drop of over 56 per cent. Manufacturing which accounts for about 53 per cent of the gross industrial productivity of the Dominion, dropped 24 per cent.

Provincial Purchasing Power, 1931-32
(Estimated by The Business Year Book)

	Net Production (All Groups) 1931	Net Production (All Groups) 1932	Per Capita Purch. Power 1931	Per Capita Purch. Power 1932	Decrease 1931-32
	$	$	$	$	%
Prince Edward Island	13,834,000	12,583,000	157	143	8.9
Nova Scotia	123,343,000	91,193,000	241	178	26.1
New Brunswick	93,165,000	72,612,000	228	178	21.9
Quebec	1,078,035,000	847,232,000	375	295	21.3
Ontario	1,623,598,000	1,272,060,000	473	371	21.6
Manitoba	177,297,000	145,010,000	253	297	18.2
Saskatchewan	204,345,000	170,390,000	222	185	16.7
Alberta	204,586,000	165,124,000	280	226	19.3
B. C. and Yukon	348,197,000	255,006,000	498	365	26.7
	3,856,400,000	3,029,210,000	372	292	21.5

Survey of All Production in Canada, 1930-32

	1930§	Estimated By The Business Year Book 1931	Estimated By The Business Year Book 1932	Percentage Decrease 1931-32
Gross Value of Industrial Production:				
Agriculture°	$1,346,363,659	$ 945,000,000	$ 862,076,000	8.8
Forestry	440,352,351	332,000,000	193,000,000	41.9
Fisheries	63,743,353	39,650,000	32,500,000	18.0
Trapping	9,875,955	6,580,000	5,200,000	21.0
Mining	325,184,050	276,400,000	221,661,000	19.8
Electric power	164,833,913	165,100,000	142,650,000	13.6
Total primary production	$2,350,353,281	$1,764,730,000	$1,457,087,000	17.5
Construction	456,995,000	315,482,000	138,000,000	56.3
Custom and repair†	123,000,000	91,000,000	73,000,000	19.8
Manufact's, all industries	3,428,970,628	2,493,468,000	1,900,900,000	23.8
Total secondary production	$4,008,965,628	$2,899,950,000	$2,111,900,000	27.2
Less: Duplications‡	757,438,326	494,000,000	400,000,000	...
Deduct. for goods cons. in prod.	2,385,133,848	1,664,000,000	1,200,000,000	...
Net value of indust. prod.	$3,216,746,735	$2,506,680,000	$1,968,987,000	21.5
Net value of production (all groups) **	**$4,949,000,000**	**$3,856,400,000**	**$3,029,210,000**	**21.5**

* Includes shipbuilding in 1928 and 1929 only.

° Includes amounts paid to patrons of dairy factories.

† Estimated, from calculation made in 1925, according to percentage change in data for manufacturing.

‡ Allowance for figures contained in both primary and secondary production.

§ D. B. S. figures.

** Includes estimated production of all gainfully employed persons in addition to the value of production in industries listed above.

Note: Figures quoted here for all industries are gross, and are therefore not necessarily comparable with figures of net production, such as for agriculture, fishing, mining and construction industries, which are ordinarily quoted. In only one case, namely trapping, do gross and net figures coincide. The difference in each case represents goods consumed in production.

How Figures Computed

In the compilation shown above the gross value of industrial production (selling value of products at works, farms, mines, etc.) is given for nine separate groups. These figures, taken separately, give an excellent indication of the relative activity in the various groups as compared with previous years. Totals for primary and secondary production are also useful. It will be noticed that no total is shown for gross industrial production as this figure contains a large amount of duplication.

The net value of industrial production ($1,968,987,000 for 1932) is computed by deducting from the gross total a percentage for duplications and for goods consumed in manufacture, this percentage being based on previous experience.

65 Per Cent in Industry

According to the 1921 census returns, which are the latest available, only 65 per cent of all gainfully employed persons are engaged in industrial production. Thus in order to obtain a comprehensive figure for productivity of all gainfully employed persons an additional calculation is made to include all those engaged in such services as transportation, administration, trade and so forth. This gives the final figure of $3,029,210,000 as net productivity for all gainfully employed persons in Canada in 1932 and is perhaps the most accurate yardstick of the potential purchasing power of the Dominion, as calculated on this basis.

In compiling productivity by provinces, the production of persons engaged in transportation, finance, trade, etc., was compiled on the basis of the 1921 census figures for the individual provinces. While the percentage of gainfully employed persons in the Dominion engaged in industrial production is 65, this figure varies from 79.6 in Prince Edward Island to 56.3 in British Columbia.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	Weekly Latest 1931	Cumulative Jan. 1 to date 1932	Cumulative Jan. 1 to date 1931
Transportation—				
Car loadings (Dec. 24)	31,763	42,778	2,148,016	2,544,061
C.P.R. gross earn. (Dec. 21)	$ 2,242,000	$ 2,657,000	$ 121,037,000	$ 143,935,000
C.N.R. gross earn. (Dec. 21)	$ 2,352,723	$ 3,119,430	$ 140,480,587	$ 173,182,535
	Monthly			
C.P.R. net earn. (Nov.)	$ 3,324,291	$ 4,565,374	$ 17,779,235	$ 21,834,204
C.N.R. net earn. (Nov.)	$ 1,038,581	$ 2,084,481	$ 10,164,170	$ 7,491,999
Iron and Steel—				
Pig iron, tons (Nov.)	14,149	14,292	117,099	406,176
Steel, tons (Nov.)	37,088	26,337	312,033	650,118
Automobiles prod., No. (Nov.)	2,204	1,247	58,677	80,182
Automobile exports, No. (Nov.)	1,486	480	11,890	14,286
Construction—				
Building permits (Nov.)	$ 2,505,309	$ 7,282,117	$ 37,922,575	$ 104,327,739
Contracts (December)	$ 4,190,000	$ 14,257,300	$ 132,872,400	$ 315,482,000
Newsprint—				
Production, tons (Nov.)	161,334	175,643	1,770,424	2,052,625
Exports, tons (Nov.)	158,568	171,151	1,639,765	1,846,403
Sugar—				
Imports, raw, lbs. (Nov.)	28,055,200	70,656,900	652,424,500	752,021,400
Melt & ship, lbs.*	78,707,156	85,076,361	816,652,149	857,873,736
Manufactured, lbs.*	115,873,720	121,790,544	772,487,907	796,099,583
Flour—				
Production, bbls. (Oct.)	1,721,598	1,693,925	11,512,521	12,514,602
Wheat flour exp. bbls. (Nov.)	576,864	476,487	4,639,758	5,245,914
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Nov.)	46.37	68.18	636.58	881.08
Boots and shoes, pr. (Oct.)	1,599,190	1,554,144	15,539,820	15,289,386
Petroleum, imp. crude, gal. (October)	83,448,516	97,340,989	805,327,119	862,413,901
Cotton, imp., raw, lbs. (November)	15,376,000	15,451,000	83,537,000	83,374,000
Rubber, raw, imp., lbs. (Nov.)	3,568,000	2,761,000	44,745,961	51,089,185
Coal, imports, tons (Oct.)	1,331,774	1,446,690	9,271,590	11,030,239
Gasoline sales, gals. (Aug.)	61,518,000	63,434,322	326,269,000	360,909,322
Trade—				
Imports (November)	$ 37,769,060	$ 46,911,012	$ 423,653,058	$ 587,808,591
Exports (November)	$ 45,944,520	$ 57,486,960	$ 451,300,542	$ 552,080,527
Wheat exports, bus. (Nov.)	27,301,976	27,452,063	200,484,756	172,569,637
Labor—				
Employment Index (Nov.)	84.7	103.0	......	......
Electric Power—Output—				
M. Kilowatt hours (Nov.)	1,347,857	1,415,020	14,445,123	14,951,256
Finance—				
Failures, No. (Oct.)	199	226	1,807	1,941
Failures, Liabilities (Sept.)	$ 2,979,544	$ 5,166,575	$ 30,012,931	$ 32,881,663
Bank debits† (Nov.)	$ 2,466,300	$ 2,841,833	$ 23,759,669	$ 28,948,345
Bond sales (Nov.)	$ 1,093,500	$ 221,223,358	$ 376,668,408	$ 609,127,237
Insurance sales (Nov.)	$ 34,003,000	$ 38,860,000	$ 370,440,000	$ 442,149,000
Automobile Financing:				
Used cars (Nov.)	$ 796,043	$ 1,165,341	$ 12,464,266	$ 20,068,684
News cars (Nov.)	$ 538,264	$ 980,252	$ 12,264,957	$ 20,045,666

*Four weeks' period, Nov. 12 to Dec. 8.
†(000's omitted).

OPTIMISTIC VIEW OF CANADA TAKEN IN TRUST SURVEY

Bountiful Crop Seen as Likely to Increase Buying Power

An optimistic view of the outlook for Canada in 1933 is contained in the latest Guaranty Survey issued by the Guaranty Trust Co. of New York. The review says that some profit will probably be gained by Canadian wheat producers, despite lower prices, because of the bounteous crop.

Favorable crop yields would also indicate an increased purchasing power in this country, the survey says. This, however, does not appear probable, according to estimate recently published by The Financial Post Business Year Book of gross returns to farmers in this country from 1932 crops.

The comment on Canadian conditions in 1932 and outlook for 1933 in the survey is as follows:

"The business outlook in Canada at the beginning of this year was clouded by the poor crops during 1931 and the low prices for agricultural products, for the purchasing power in the agricultural districts is an important factor in the country's trade and industrial activity. The outlook was also questionable in view of the abandonment of the gold standard in the fall of 1931, following England's suspension of specie payments. Unemployment was wide-spread, and higher tax rates were enforced. During the first part of this year, Canada, in line with similar action in several other countries, resorted to the expedient of imposing import restrictions in an attempt to further domestic economic equilibrium.

"A large measure of hopefulness appeared when the early crop estimates promised favorable yields. As the growing season advanced, subsequent estimates confirmed these earlier forecasts; and the final report placed the total yield of wheat at a level that is fourth largest in the history of the country. Even with prevailing low prices, it is believed that the crop is sufficiently large to bring some profit to the wheat growers.

"As the year closes, several favorable reports appear. The poor showing of the major industries during the autumn was offset by increased activity in secondary industries, while the decline in factory employment in late autumn was not so large as that in the few preceding years. The monthly export surpluses since June have resulted in a moderate export balance for the year; and, inasmuch as this has been accomplished during a period of declining world trade, it is looked upon with unusual satisfaction, especially since the welfare of Canadian trade is dependent on foreign markets.

"The outlook for the coming year is largely conditioned on developments in other countries, especially the movement of agricultural prices on international markets and the repercussions of the trade agreements reached at Ottawa. However, if for no other reason, the country is in a more encouraging position than a year ago because of the favorable crop yields this year and the anticipated corresponding increase in purchasing power."

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Chromium Alloy Ltd. has been organized in Hamilton, Ont., to acquire, develop and maintain mines and mineral lands. Capital is $3,000,000 under Ontario charter.

Downs, Coulter & Co. Ltd., textile manufacturers of Bradford, England, have formed a Canadian subsidiary, Downs, Coulter Co. (Canada) Ltd. and plan to establish a mill east of Toronto, to manufacture worsteds, artificial silk and cotton textiles. It is understood that some $500,000 will be spent in equipping the plant and getting it into operation in the next four or five months. The most modern type of weaving and other textile machinery is ready to be shipped from England. William Downs, director and production manager of the English company will be a director and vice-president of the Canadian company. J. W. Downs, head of the British company, was a textile adviser to the British delegation at the recent Ottawa Conference, and is president of the new Canadian subsidiary. James and John Downs of Bradford are also directors of the Canadian company.

Business Briefs

Pound sterling average value for special duty purposes has been set at $3.80, effective for entries into Canada between Jan. 1 and Jan. 15, 1933, inclusive.

Car loadings for the week ended Dec. 24, 1932, amounted to 31,763 cars, compared with 36,494 cars in the preceding week and 42,778 cars for the corresponding week of 1931. The index number, after seasonal adjustment, dropped from 58.73 to 55.08 in the week.

Wheat stocks at Dec. 23, 1932, amounted to 236,104,389 bus. compared with 236,876,992 bus. a week previous and 191,009,332 bus. the corresponding date in 1931.

Wheat exports in the week ended Dec. 23, 1932, amounted to 4,769,864 bus. compared with 3,051,163 bus. in the preceding week and 2,378,041 bus. in the corresponding week of 1931.

Failures under the Bankruptcy Act as disclosed by The Canada Gazette for the week ending December 24, 1932 show a decrease of 3, figures being 1931, 41 and 1932, 38. Figures for the whole period of the year up to December 24, 1932, are: 1932, 2,188 and 1931, 2,107, an increase of 81 or 3.8%.

U. S. Took Most Lumber Exported in November

Export of planks and boards in November totalled 46,367 M feet valued at $836,611, compared with 55,255 M feet at $980,244 in October and 68,182 M feet at $1,980,244 in November last year.

United States was the heaviest purchaser, the value being $320,046, Great Britain $286,032, Australia $103,700, Japan $69,815.

There were other large items in the export such as shingles at $235,032 to the United States, pickets at $25,562 to the United Kingdom, shooks at $28,500 to Peru, Douglas fir square timber at $36,779 to the United Kingdom and $24,592 to Japan.

OPINIONS DIFFER ON CHRISTMAS TRADE

Credit Men's Report Covers Year End Business in Chief Cities

The weekly trade report of Canadian Credit Men's Trust Association for the week ending December 31, 1932 is as follows:

Halifax—Wholesale houses report that due to their travellers being home for Christmas holidays, their business has been chiefly filling of rush orders by mail and telephone. Retail trade generally fairly satisfactory but reported considerably below normal. Collections very slow.

Saint John — Wholesalers report trade normal for season of the year. Christmas retail trade generally speaking has been good, particularly in small wares, and while the actual turnover is reported somewhat lower than in previous years business on the whole has been fairly satisfactory and trade quite active. Collections fair.

Montreal—Wholesale trade reported fairly good for after Christmas season although not particularly large in volume. Retailers report Christmas trade very satisfactory but not up to expectations, with trade during past week fair. Wholesaler and retail collections remain slow.

Toronto—Conditions generally for Christmas season reported not up to expectations and purchases confined more to essentials than in previous years. Trade during past week reported quiet and manufacturers still operating on part time. Building trade dormant. Collections slow.

Winnipeg—Wholesale trade generally report slight falling off in trade during past week. Retail trade report Christmas turnover fairly satisfactory but not up to expectations; business during past week fair. Collections both city and country fair.

Regina—Wholesale groceries report sales have fallen off considerably since last week. Dry goods very quiet at present. Hardware fairly satisfactory. Retail trade generally both city and country report a very quiet week. Wholesale collections poor, excepting on new goods. City retail collections fair to slow. Country slow.

Moose Jaw—Wholesale and retail trade generally report Christmas turnover fairly satisfactory, business during the past week comparing favorably with that of last year. Collections fair.

Saskatoon — Wholesale groceries report volume about the same as previous week although not up to the standard of last year's business. Oils and greases and hardware lines remain quiet. Boots and shoes trade shows slipper and house footwear business rather brisk. Dry goods fair to good. Retail trade generally enjoyed nice volume of Christmas trade although volume not so large as in previous years. Collections fair.

Calgary — Wholesale and retail groceries continue in fairly good demand. Dry goods, boots and shoes, continue to move very slowly. Appears to be little demand for other lines from retailers, particularly in country districts. Collections slow.

Edmonton—Wholesale grocers report good volume of business. Other lines quiet. Retail trade fair. Collections slightly better.

Vancouver—Wholesale and retail trade report conditions remain very much the same. Christmas trade stimulated business considerably but was not up to expectations. Collections remain fairly satisfactory on current purchases, practically "nil" on old accounts.

Canada Exports Butter

Newfoundland, Japan, St. Pierre and Bermuda took most of the 118,800 pound butter export of Canada in November. The quality exported was about one-sixth of what it was a year ago.

Commodity Prices

Commodity Prices at Wholesale‡
(N. Y. unless otherwise stated)

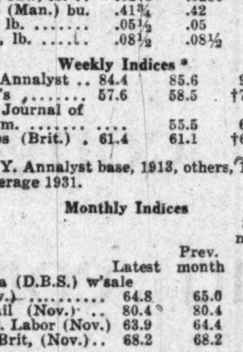
	Week ending Dec. 31	Previous week	Same week last yr.
Cattle (cwt.) (Toronto)	$4.60	$4.75	$6.50
Copper, lb.	.05	.05	.07¼
Cotton, lb.	.0610	.0595	.0650
Rubber, lb.	.0321	.0317	.0480
Silk, lb.	1.52½	1.50	1.87½
Sugar, raw, lb.	.0275	.0280	.0320
Wheat (Man.) bu.	.41¾	.42	.60
Hides, lb.	.05½	.05	.07½
Coffee, lb.	.08½	.08½	.07¼
Weekly Indices *			
N. Y. Annalyst	84.4	85.6	95.9
Fisher's	57.6	58.5	†72.6
N. Y. Journal of Comm.	....	55.5	61.8
Crumps (Brit.)	61.4	61.1	†64.9

*N. Y. Annalyst base, 1913, others, 1926.
†Average 1931.

Monthly Indices

	Latest	Prev. month	Same month last year
Canada (D.B.S.) w'sale (Nov.)	64.8	65.0	70.7
Retail (Nov.)	80.4	80.4	86.6
U. S. Labor (Nov.)	63.9	64.4	70.2
Gt. Brit. (Nov.)	68.2	68.2	71.8

‡Basis of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; cotton—middling upland, New York; rubber—smoked sheets, spot closing, New York; silk—Japanese, 13-15, New York; sugar—96 degree centrifugal c/f. New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.



Manufacturers of
INDUSTRIAL
and
HOUSEHOLD
Cottons
in Canada
for over
TWENTY-FIVE YEARS

DOMINION
TEXTILE
Company Limited

MONTREAL
TORONTO
WINNIPEG
VANCOUVER

ONT. FIRE LOSSES DOWN FROM 1931

In November and in First 11 Months Totals Declined

Fire losses for November, reported by the Ontario Fire Marshal, show an increase of $142,841 compared with the same month of 1931. Total fires reported increased from 1,230 to 1,344 in comparison with November, 1931, but the average loss per fire was materially lower.

Total fire losses reported by the Marshal in November amounted to $933,652, compared with losses of $1,076,466 in the corresponding month of 1931. Of the loss in November, 1932, over 92 per cent was on insured property, whereas in November, 1931, less than 86 per cent of the total loss was covered by insurance.

Losses for 1932 to the end of November amounted to $13,488,203 compared with losses of $14,363,280 in the same 11 months of 1931, a decrease of $875,077. This decrease, like that for the month of November, was experienced on a larger number of fires for the period. Fires in the first 11 months of 1932 were 14,425, compared with 13,852 in the same period of 1931.

Can. Insurance Institute Announces Prize Essay

Announcement has been made by the Canadian Institute of Insurance, Inc., Winnipeg, of the name of the winner of the essay contest on "The History and Development of Insurance in Canada." The prize of $250 goes to L. C. Quinlan, of Toronto.

The essays submitted were judged by Lyman Root and F. T. Bryers, both of Toronto, with John Robertson of the same city as a third in case of a tie. The essays were forwarded to the judges without the names of the contestants, each essay having a letter instead so that the judging would be entirely impartial.

Arrangements are being made to have the essay printed in book form. Material obtained from the other essays submitted will be added to it.

CANADA CEMENT COMPANY LIMITED

Annual Report of the Board of Directors

TO THE SHAREHOLDERS:

Your Directors beg to present herewith a statement of the affairs and the financial position of your Company for the fiscal year ending November 30th, 1932.

The volume of building in Canada declined very precipitously during the fiscal year just closed, total building and construction permits issued showing a decline of 57 per cent from those issued during the previous year. The total consumption of cement in Canada fell off 52 per cent from the previous year, following very closely the decline in building permits. Your Company's sales suffered in practically the same proportion as the total volume with the result that business done during the fiscal year just closed was less than half the previous year's total.

Gross earnings held up slightly better than volume, showing a decline of 49 per cent, notwithstanding the fact that the smaller volume had to carry such uncontrollable items as taxes, idle expense (including idle power) and general overhead. Drastic economies were of course made in every direction where possible. The revenue from miscellaneous earnings due to general business conditions fell off considerably. On the other hand income from investments showed some improvement.

The premium on New York Funds required to meet bond interest proved a heavy burden, amounting to $102,994.92 for the year.

Two quarterly dividends were paid on the preference stock during the year but owing to the trend of business in the third quarter your Directors decided in August last to defer dividend payments, and therefore two quarterly dividends have accrued.

You will note from the financial statement that there has been a considerable reduction in our investment in the item "Investments in Associated Companies and Other Investments." This is largely accounted for by the fact that this year we transferred from "Associated Companies" bonds and preference stock of your Company which had been accumulated in previous years for sinking fund and cancellation purposes to the Company. The bonds are being held for sinking fund purposes and appear on the balance sheet under a separate heading; the preference stock was transferred to the Company for cancellation and has been deducted from preference stock outstanding.

Your plants operated during the year at less than 30 per cent of their capacity. They have been well maintained and are in good condition.

We trust that in view of the extreme business depression through which the country is passing resulting in a very contracted demand for your product that the results of the year's operations will be considered satisfactory.

Respectfully submitted, on behalf of the Board of Directors,

J. D. JOHNSON,
President.

BALANCE SHEET, NOVEMBER 30, 1932

ASSETS

CURRENT ASSETS:				
Inventories			$ 2,144,280.98	
Accounts Receivable (less Bad Debt Reserve):				
Customers' Accounts		$241,513.01		
Other Accounts		74,353.13		
			315,866.14	
Deposits on Tenders			9,302.15	
Deposits under Workmen's Compensation Commission			75,440.63	
Government Bonds and Other Securities			450,445.00	
Cash			1,320,260.67	
				$ 4,315,595.57
INVESTMENT IN COMPANY'S BONDS, AT PAR				1,126,500.00
INVESTMENTS:				
In Associated Companies and Other Investments				3,692,466.53
DEFERRED CHARGES TO OPERATIONS				76,944.54
COST OF PROPERTIES:				
Land, Buildings, Plant, Equipment, etc., less Depreciation				39,461,437.07
				$48,672,943.71

LIABILITIES

CURRENT LIABILITIES:				
Accounts Payable			$ 608,949.69	
Bond Interest accrued and Unpresented Coupons			103,891.05	
				$ 712,840.74
RESERVES:				
Fire Insurance			$ 750,000.00	
Extraordinary Repairs and Renewals			125,000.00	
Cloth Sacks Outstanding			150,000.00	
Industrial Accidents			62,500.00	
Contingent Reserves			230,716.86	
				1,318,216.86
FIRST MORTGAGE SINKING FUND GOLD BONDS 5½% SERIES "A" DUE 1947:				
Authorized		$30,000,000.00		
Issued			$20,000,000.00	
Less: Redeemed through Sinking Fund			1,267,500.00	
				18,732,500.00
PURCHASE MONEY OBLIGATIONS:				
Payable $300,000.00 per year for two years				600,000.00
PREFERENCE SHARES—6½% SINKING FUND CUMULATIVE REDEEMABLE ON SIXTY DAYS NOTICE:				
Authorized		$25,000,000.00		
Outstanding			$20,944,100.00	
Less: Cancelled subsequent to November 30, 1932			857,200.00	
				20,086,900.00
PREFERENCE STOCK REDEMPTION ACCOUNT:				
559 Shares redeemed and cancelled				55,900.00
COMMON SHARES AND SURPLUS			$ 6,403,904.75	
PROFIT AND LOSS ACCOUNT:				
Profits from Operations and Income from Investments for the year ending November 30, 1932, after making provision of $555,649.74 for Depreciation of Capital Assets		$ 2,086,073.88		
Deduct:				
Bond Interest	$1,052,748.14			
Premium on New York Funds	102,994.92			
	$1,155,743.06			
Fire Insurance Reserve	120,399.65			
Reserve for Extraordinary Repairs and Renewals	25,000.00			
		1,301,142.71		
		$ 784,931.17		
Deduct:				
Dividend on Preference Stock (six months to May 31, 1932)		680,677.59		
		$ 104,253.58		
Balance of Profits at November 30, 1931		658,427.78		
			762,681.36	
A total of represented by 600,000 shares of No Par Value Common Stock out of an authorized issue of 750,000 shares				7,166,586.11
				$48,672,943.71

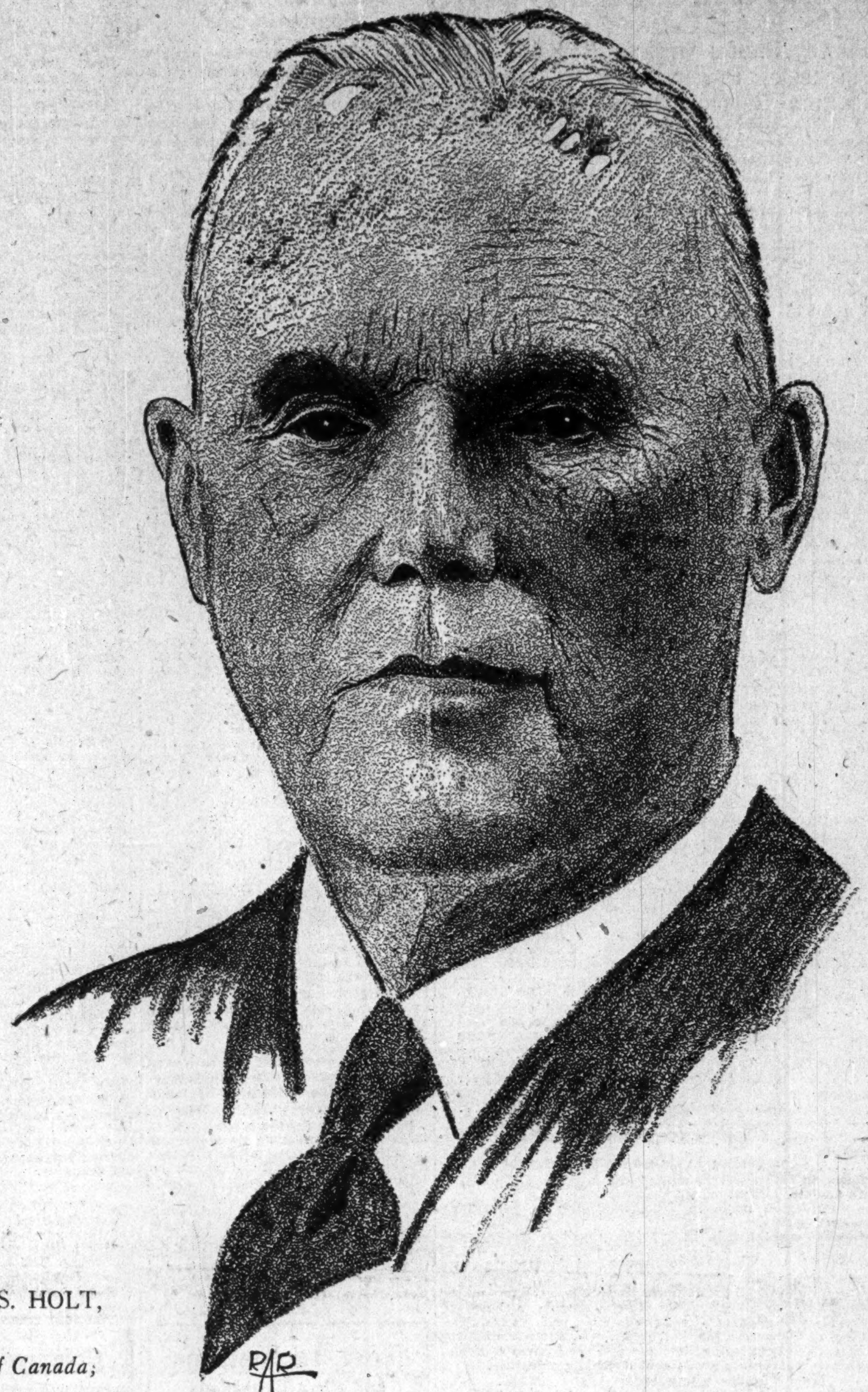
AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of the Canada Cement Company Limited for the year ending November 30, 1932, and have obtained all the information and explanations which we have required; and we report that, in our opinion, the Balance Sheet at November 30, 1932, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs (after charging against operations a provision of $555,649.74 on account of depreciation) according to the best of our information and the explanations given to us, and as shown by the books of the Company.

PRICE, WATERHOUSE & CO.,
Auditors.

Montreal, December 22, 1932.

APPROVED ON BEHALF OF THE BOARD:
J. D. JOHNSON, Director.
H. L. DOBLE, Director.



SIR HERBERT S. HOLT,
President,
The Royal Bank of Canada;
Chairman of the Board,
Montreal Light, Heat & Power Cons.

I congratulate The Financial Post for the impartial and constructive policy it has pursued from its inception; on the sound advice given in all financial matters, and its fearless and fair criticism of governments, federal, provincial and municipal, also of corporations, institutions and individuals where it considered it was necessary.

H. S. Holt

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXVII — Member of Audit Bureau of Circulations — PUBLICATION OFFICE: TORONTO, JANUARY 7, 1933 — 10c a Copy; $5.00 a Year — No. 1

SOVIET BARTER STRIKES SNAGS; OTTAWA COOLS

Guarantee of Soviet Credit Frowned On by Cabinet

COAL IS NOT WANTED

Ottawa Fears It Would Displace Welsh Product — Aluminum Co. is Given Notice

From Our Own Correspondent

OTTAWA.—While negotiations between the Western cattle syndicate and the government are progressing it is becoming clear that the proposed exchange of Canadian cattle for Russian oil and coal is not acceptable to the Bennett government in its present form.

Several features of the proposal, both from political and practical standpoints, are impossible of fulfillment, and there will have to be important modifications before the cabinet can even consider it seriously.

Coal is Unacceptable

The proposition to accept Russian anthracite coal in part payment for the cattle is deemed entirely unacceptable here. Canada, at the moment, has an embargo against a selected list of Russian products, of which anthracite is one. Moreover, the Bennett government is doing everything in its power to encourage imports of Welsh anthracite, and will not reverse this policy, however emphatically it may be requested to do so by livestock interests.

This change, in itself, probably would not void the deal. The amount of anthracite coal stipulated in the proposed exchange is so small that it cannot be regarded as a vital consideration by Russia. Indeed, the acceptance of Russian oil would, in itself, strain the government's Russian policy to the breaking point. It is not generally known that only a few days before the cattle proposition was announced, the government, through the Department of National Revenue, served notice on the Aluminum Company of Canada that any renewal of the present aluminum-oil contract with Russia would be made at the Aluminum Company's risk. In other words, the government was taking steps to ensure itself a free hand in dealing with this oil.

Asks Government Guarantee

Another phase of the proposition which present almost insurmountable difficulties here is the financing by the syndicate of the purchases of cattle. It is proposed that Russia pay, immediately, with short term bonds, redeeming these bonds before the close of the year with oil and coal. The syndicate cannot discount these bonds at the banks and the plan has been to obtain a guarantee from the government up to say 60 per cent of their value. If the government were to underwrite the bonds up to 60 per cent, the banks might take a chance on another 25 per cent, thus giving the syndicate the necessary cash to proceed with cattle purchases.

The position of the government, here, is obvious. If Soviet bonds are to be underwritten—in itself a most distasteful proposition to the government—the demands of other industries for similar financial assistance in sales to Russia would be irresistible. The manufacturers of railway rolling stock, who are busily engaged framing a similar deal, would want like assistance, and so on. There is no enthusiasm that can be discerned among cabinet ministers for a guarantee of this kind, and the chances are that if the deal is to go through both anthracite coal and government assistance in financing will have to be eliminated.

This would involve the organization of a syndicate with greater cash resources than the present one. If the deal is sound, the government inclines to the view that the formation of such a syndicate should easily be possible.

Amtorg Denies Deal

In other respects earlier stories in the press require correction. Toward the close of last week despatches from Amtorg, New York, rather threw doubt on the whole proposal. There was no such deal, said high officials in Russia's employ at New York. These despatches, no doubt, are true in so far as they represent Amtorg's knowledge of the proposal. It is understood that the deal was negotiated directly with Moscow and that Amtorg is not aware of the results of the Moscow conferences. Just the same the deal, it is understood, is not as favorable to Canada as was originally suggested. The prices which the Soviet is to pay for our cattle were quoted too high, being nearly double prevailing market quotations. Russia, it is now learned, is prepared to pay a high price for top grades of cattle, but this class of animal will be only a small part of the total exports under the deal.

In any event it is now clear that there must be important modifications and much further negotiation before the exchange of products can be ratified by Ottawa.

Turner Valley Oil Production

November production from Turner Valley wells amounted to 46,710 barrels of naphtha and crude oil, up slightly from 46,409 barrels in October. In order of output Mercury stood highest for the month with a production of 6,425 barrels followed by Merland and Royalite with 6,193 and 5,508 barrels respectively.

Exports to Australia Gain

Canada's exports to Australia during the eight months ended November 30 last totalled $4,869,145, against $3,164,179 in the corresponding period of last year. There was a notable increase in exports of cotton fabrics, which rose from $80,547 in the eight months of 1931 to $356,856 in the period just ended.

Outside Capital Shows Decline of $50,000,000

Canada Repays Foreign and British Investors More Rapidly Than New Capital Comes in 1932

By KENNETH W. TAYLOR
Associate Professor of Economics, McMaster University

Total investments of British and foreign capital in Canada as at January 1, 1933, are estimated by The Financial Post Business Year Book to be $6,284,013,000, a decline of just over $50,000,000 from the revised figure for 1932. Thus, for a second year, repayments have exceeded new investments from abroad.

The changes that have taken place during 1932, and the net changes in the revised figures for each of the years 1926 to 1932 are summarized in the following table:

Changes in British and Foreign Investments in Canada During 1932

	Total $	Great Britain $	United States $	Other Countries $
New issues sold abroad	46,705,000	15,435,000	30,770,000	500,000
New direct investments	10,365,000	3,530,000	6,805,000	30,000
Purchases of old securities (net)	9,000,000	9,000,000	....	....
Total new investment..	66,070,000	27,965,000	37,575,000	530,000
Repayments & redempt.	100,150,000	24,000,000	75,200,000	950,000
Repurchases of securities (net)	13,750,000	....	13,750,000	....
Cancellations	2,500,000	1,000,000	1,500,000	....
Total deduction	116,400,000	25,000,000	90,450,000	950,000
Net change in investment, 1932	—50,330,000	+2,965,000	—52,875,000	—420,000
1931	+29,778,000	—22,965,000	—9,313,000	+2,500,000

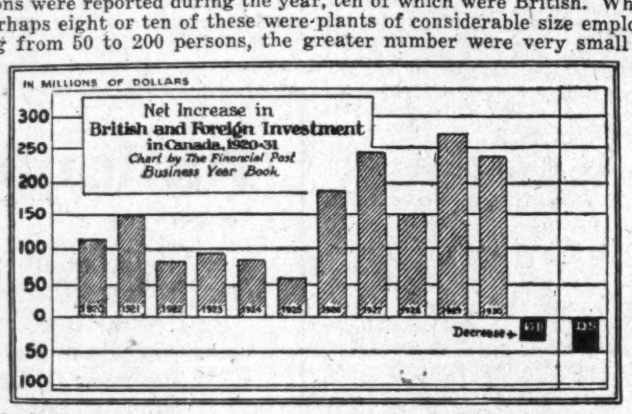
Net Annual Increases in British and Foreign Investments in Canada, 1926-32

	Total $	Great Britain $	United States $	Other Countries $
1926	187,000,000	27,000,000	169,000,000	*9,000,000
1927	267,000,000	32,000,000	226,000,000	9,000,000
1928	134,000,000	*29,000,000	161,000,000	2,000,000
1929	234,000,000	70,000,000	155,000,000	9,000,000
1930	238,000,000	11,000,000	226,000,000	1,000,000
1931	*30,000,000	*23,000,000	*9,000,000	2,000,000
1932	*50,000,000	3,000,000	*53,000,000	....
Total (7 yrs.)	980,000,000	91,000,000	875,000,000	14,000,000

*Decreases.

New issues sold abroad are exclusive of refunding issues and of short term financing (i.e. one year or less).

New direct investments consist chiefly of new branch plants or extensions to old branch plants, though some British real estate purchases were reported. About one hundred new branch plants or extensions were reported during the year, ten of which were British. While perhaps eight or ten of these were plants of considerable size employing from 50 to 200 persons, the greater number were very small in their beginnings. In many cases the company merely leased a few thousand square feet of floor space and brought in idle machinery from the parent factory. Many others were merely small assembly or finishing plants. But such small beginnings should not be despised. Many successful and substantial industries in Canada began in just such ways.



Of the $10,000,000 of new capital in these branch plants about $2,000,000 was added to the metal industries, chiefly electrical appliances, lighting fixtures and automobile parts and accessories. Oil refining, chemicals and textiles supplied the greater part of the balance.

No Important Changes in Control

No important changes in the national control of Canadian companies were reported in 1932. There was, however, a continuation of purchases and sales of outstanding securities across the national borders. Canadian Pacific shares are reported to have been sold by United States interests and purchased by Canadian and British investors. During the latter part of the year London was reported to be buying International Nickel in considerable volume. Canadian bank stocks continued to attract American buyers.

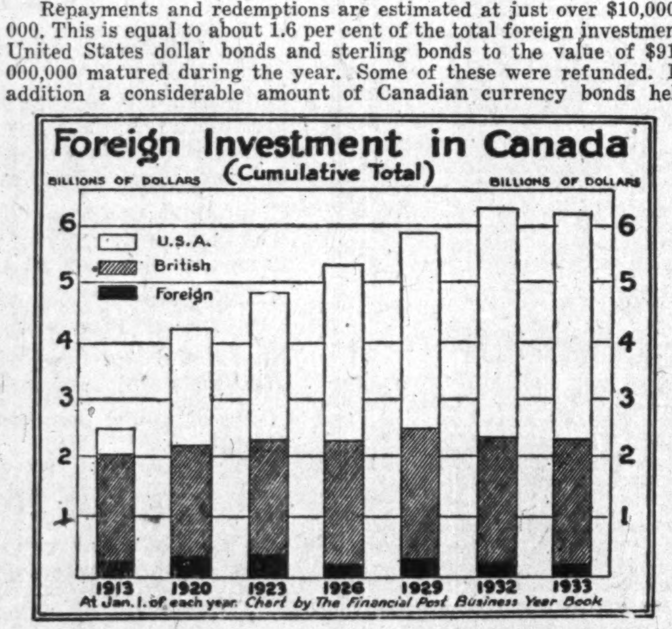
Canadian Pacific and International Nickel continue to report geographical distribution of shareholdings each year. This is a practice which other important Canadian companies should be encouraged to follow. The following are the percentage figures for the two mentioned companies as at January 1 in each year:

	C.P.R. 1929	C.P.R. 1932	Int. Nickel 1931	Int. Nickel 1932
Canada	18%	20%	21%	22%
Great Britain	43%	45%	32%	32%
United States	33%	29%	46%	43%
Other countries	6%	6%	1%	3%

Preliminary estimates indicate that the net result from the purchase and sale of outstanding securities is to add $9,000,000 to British investments in Canada and to subtract $13,750,000 from those of the United States.

Large Sums Repaid in Year

Repayments and redemptions are estimated at just over $10,000,000. This is equal to about 1.6 per cent of the total foreign investment. United States dollar bonds and sterling bonds to the value of $91,000,000 matured during the year. Some of these were refunded. In addition a considerable amount of Canadian currency bonds held abroad matured and were paid off. The volume of securities called before maturity was small except those for sinking fund purposes.



Cancellations of old securities through corporate reorganizations are estimated to have reduced foreign investment in Canada by $2,500,000 in 1932.

After giving effect to all these changes, British and foreign investments in Canada on January 1, 1933, are estimated to be $6,284,013,000 as compared with $6,334,343,000 a year ago and $6,125,957,000 on January 1.

The following table gives the figures in detail. From it, it will be seen that 35 per cent of the outside capital is British, 62 per cent from the United States, and 3 per cent from other countries. In 1926 the percentages were, British 40, United States 57, other countries 3.

British and Foreign Investments in Canada, Jan. 1, 1933
(Estimated by The Financial Post Year Book of Business)

	Total $	Great Britain $	United States $	Other Countries $
Govt. & munic.	1,262,721,000	452,559,000	799,222,000	10,940,000
Railways	1,708,974,000	924,570,000	748,327,000	36,077,000
Public utilities	640,467,000	98,222,000	528,485,000	13,760,000
Pulp & paper & lumber	472,673,000	68,912,000	401,261,000	2,500,000
Mining	327,400,000	63,100,000	251,000,000	13,300,000
Metal indus.	561,528,000	44,920,000	505,450,000	11,158,000
Other indus.	521,148,000	182,321,000	323,280,000	15,547,000
Trad'g estab.	243,816,000	73,076,000	165,887,000	4,853,000
Fin. institu.	210,472,000	118,946,000	77,391,000	14,135,000
Land & mtges.	334,814,000	192,158,000	90,539,000	52,117,000
Total, 1933	6,284,013,000	2,218,784,000	3,890,842,000	174,387,000
1932	6,334,343,000	2,215,819,000	3,943,717,000	174,807,000
1930	6,125,957,000	2,228,024,000	3,726,745,000	171,188,000
1926	5,304,406,000	2,128,619,000	3,015,374,000	160,413,000

State Socialism Bars Recovery in Canada

Price-Fixing by Combines is Also Malignant Force in Present Depression — Price Level Loses Flexibility

By WM. H. MOORE, M.P.
In recent address to the Canadian Club of Toronto

There is an old Russian fable or story about a group of men, women and children who were lost on the wind-swept, ice-bound plains of Russia. They were cold and hungry. They had no shelter. Someone in the group, after they had wandered here and there, said, "There is a light." The older members of the group said, "We can see no light."

"There is a light, and that light means home; that light means food and shelter," he said. Through his sheer insistence the other members of the group saw the light, and followed on and on, only to perish.

It was a false light. I thought of the application to present conditions. How many of you are suffering today? How many of you have been brought into actual contact with the suffering of today? How many of you have been in homes in the last few days that had no fuel. I don't mean homes of people on public relief! I mean the homes of men who are educated as you were. Men who, on the streets, dress as you dress but hold their heads high and scorn public relief and who are struggling on wearily. Someone has said "there is a light." Can you blame them for following it?

Turning to the Left

We have in this country of ours a group of men and a woman. They have said that the light means State Socialism, means turning to the left.

It is a false light.

We are told today that the Capitalistic system has broken down. I am not going to say that anything has broken down. I am not going to say that we have had a collapse. In whatever system we have there is a remarkable virility. If anybody had suggested two or three years ago that today we would have had in the United States 10 or 12 millions of unemployed and have had them for months and months, I am sure we would have thought there would have been a revolution. And still our system carries on. But if we are not in a collapse today we are near enough to it to check over, and to try to put our system in order.

What Is Wrong?

Just what is collapse? Just what is wrong? What is our present system? I have an idea, and I have had it for a long, long while, that in this country we are suffering from illusion as to names. We get mixed in our nomenclature. There are some people who talk of government ownership when they mean State Capitalism or State Socialism. People get mixed up when they talk about Communism and socialism. There are some people in this country that are mixed up when they talk about Co-operation and Socialism. The Co-operative Commonwealth is a Socialist party. True, in a way Socialism is Co-operation. But it is not voluntary Co-operation. It is Co-operation with the policeman present with a club or the soldier with a bayonet.

To find out (and we must find out) what order we are living in today; we must be precise. We must know that before we can take action. I wish that you would run over your schoolday teachings to realize just what the capitalistic order is. If I had time I would refresh your memory. I would take you over the long, long road we have travelled. I want to mention just one phase of the Capitalistic order, the gist of it, production for profit. Let me put it another way; service for profit; service with a profit motive. And what is wrong with that?

The Socialist, and others who are not Socialists, say the present order is passing away, that the profit motive means greed. I am laboring under no illusion as to the greed that is within human nature. But that "greed," that profit motive means efficiency. Men out for profit searched the continents to serve us. Under the Capitalistic order you will remember we checked greed, profit seeking, with competitive effort. Competition was the safety valve. Socialists tell us that competitive effort means waste. It does, but waste means growth, and out of such phases of the Capitalistic order we have had growth. We have been taken from poverty to prosperity.

Somebody has said that the competitive system is a survival of the jungle days. Historically that man is wrong. It was competitive effort that brought us out of the jungle and its destruction will take us back.

Defect of Depressions

The Capitalistic order that is so much denounced suffers a very serious defect. It has always been subject to depressions. It has not pursued a straight course upward. Until the days of Queen Anne, under the old system, the population of Great Britain never reached beyond five and one half millions. It began to grow when the world turned to the freedom of the individual within the organization of Capitalism. Today as you know Britain has 45,000,000. It was not a straight upward growth. There have been cyclic or secular downward or upward and sharp or long trends.

Depressions came from commodity price changes. You can have just as much profit, just as much prosperity, on one level as on another provided you have adjustment on the high or low level. That is what we lack today. We are down and we are not able to get up as we have usually done under similar conditions. And why? We have tried. Mr. Hoover tried, with the assistance of the ablest men of the United States, tried for a year because he knew his political life was at stake. And he failed. And we have had world conferences and we are still having them. We had a conference at Ottawa this summer. Still we are in depression.

Of course, one of the things that we are suffering from is the effects of the war. We should have had a depression after the war. We got it in 1920 and 1921. Then we said "we are going to stop depressions for all time." We hit upon an idea to stop that particular depression, of staying it, of cutting it short. There was a reservoir of trouble into which we poured all of the potential pains for mankind that arose out of the war. There were currencies that had been inflated and then sharply deflated. There were tariffs that had been raised not only in the old countries but in new countries, especially after the war. There were wheat belts that had been expanded without a corresponding expansion of human belts. There was a rise of industry in the Orient. There were scores of things that went into that reservoir, malignant forces. We held them back by borrowing money, by loans. Loans never yet settled debt.

High Dam of World Debt

We built high that dam, higher, higher and higher with loans. Before the end of 1929, between 15 and 20 billions of dollars had been loaned by the people of different countries to the people of other countries.

You can see how big that dam was; never anything like it in the world's history.

Then the dam broke. That big, bad dam broke and engulfed us. That was not all.

Cartelized Production

There were two other malignant forces that I want to talk about.

The Capitalistic system means specialized effort, specialized production, away from the old self-contained industries in which a man spun yarn and wove it and made cloth and at the same time cultivated a garden and had a horse and a cow. Capitalism means that each one of us tries to do something and to do it the better because it is the only thing we did. The cobbler sticks to his last. But in order to work that system we have to have a method of exchanging what we produced, our services. We come to the price level. We must have a consistent price level. The repair men of the present order want to raise that price level by inflation. I am going to take issue with them a bit because our trouble is not so much with the price level as with the existence of fluctuating price levels. That fluctuation has come about by these two malignant forces of which I intend now to speak.

Non-competitive Economy

The first is the growth of non-competitive economy. In the natural order of things, when machines replaced tools, the producers became bigger and fewer. Then they said, "Instead of arranging our prices by competition, by having them determined in the cold, cold world of competitive effort, we will fix them ourselves." But one man's prices are another man's costs. Price-fixing introduced an inflexible element into the present order. Prices will not adjust themselves up and down without flexibility. I have been looking at a man in this audience two or three times. I can give as many reasons as he can for the existence of what he calls a fair price, which he determines for his product in combination with other producers. There are "distress prices" and there is cut-throat competition and a hundred reasons for price agreement but the greatest reason against it is simply this that civilization won't work when that sort of thing reaches a preponderant scale.

Some of you as boys have been on a teeter board, You sit with your feet on the ground as long as there is a little fellow on the other end but if a big fellow gets on your feet leave the ground. That is what has happened to us.

Combines in Germany

Statistics are strong on most things but statistics are weak on the figures as to the number of combines in this country. In Germany they are very frank. Combines are registered. I want to give you some German statistics. There they have had combines (if you like) or price regulation by producers for 60 years. According to the last account one-half of the raw products—some of them finished raw products—in Germany are produced by cartels or under price control. How does it work, or rather how does it fail to work?

In 1929 the cartelized prices were on an index number of 104.6 and the non cartelized 101.9, taking 1926 as 100. They were very near together then. In January, 1932, cartelized prices had fallen to 84.4 per cent; the non-cartelized or competitive prices had fallen to 51.2 per cent, or 50 per cent. One group of producers could not buy the goods of another group of producers.

No Purchasing Power

You have had the same thing happen in Canada. I want to give you some salient figures and I am not making in these figures a charge of price control. But I am giving you an illustration of why the present system won't work, with the safety valve clogged. I am taking what the farmer has to sell, and the same thing applies very largely to any of you engaged in competitive industry.

Again taking the figures of the prices of 1926 as 100 what the farmer had to sell in October was at an index of 44.9; his household goods at an index number of 72.5; his fertilizer 72.3; and his tools 88.8; and his implements 96.9. As a result you have unemployment, suffering, distress. I know men

(Continued on page 15)

Difficulties Seen in Exchange Control

Banker Points to Difficulties of Control and Believes Any Action Should be by Government Through Chartered Banks

By A CANADIAN BANKER

In urging that a central bank should be established in Canada, some economists state that its primary, and by far its most important, function will be to excercise control over and stabilize exchange rates.

As I said in my last article, these rates represent the prices at which foreign currencies are quoted in terms of the Canadian dollar. If the Canadian demand for foreign currency drafts to pay for purchases made or other obligations incurred abroad is appreciably greater than the total amount of remittances in foreign currencies received in this country in payment of our exports and as settlement of other debts due to us, it is obvious that unless something can be done to adjust matters the price of these currencies will rise, or, in other words, the Canadian dollar will be quoted at a discount. If the situation is reversed, Canadian dollars will of course be quoted at a premium.

How Prevent Decline?

How is it proposed that the central bank shall prevent, for example, a fall in the Canadian dollar, if Canada has a heavy adverse trade balance and in consequence the demand for foreign remittances outwards materially exceeds the incoming supply? We have so little surplus gold to be shipped out and floating loans abroad is now, if not impossible, at least so difficult and costly that these former correctives are no longer readily available.

The central bank advocates claim that it will effect stabilization by taking direct action on exchange rates, supplementing and reinforcing this by any necessary changes in its domestic credit policy.

Direct action toward stabilization requires that the central bank shall have a balance, say in New York or London (it is immaterial which), and will sell drafts against this account whenever the amount of foreign remittances received in the market is less than the demand for such remittances to be sent abroad. When the reverse is the case the bank will buy the surplus of incoming foreign remittances and despatch them to be added to its New York or London balance. By these operations it will prevent any substantial fluctuations in exchange.

Would Deplete Balance

Even were Canada's foreign trade —including of course movements of capital—in approximate balance over a period of, say, one year, it would rarely be the case that the amount of outward remittances required on a given day would coincide with the amount of remittances received from abroad on that day. It is, in fact, quite probable that, for example, a substantial shortage of inward remittances might persist over a fortnight, a month or even longer. Under the stabilization plan the central bank, in anticipation of an eventual excess in remittances received, must continue to sell drafts upon and deplete its foreign balance.

It is clear, therefore, that this foreign balance, which let us assume is to be in New York, must be a very large one—I should think at least $100,000,000—and possibly double that amount or more. The first problem is how this foreign balance is to be obtained. The bank cannot buy New York funds to create it, for if the bank competes with others bidding in the market the increased competition will drive our dollar to a much greater discount than before, which is just what the bank is aiming to prevent. The only alternative is to obtain a loan in New York—no easy matter under present conditions. Let us assume, however, that an adequate balance has been secured and that the bank starts its efforts to stabilize exchange, what are the difficulties and dangers with which it will be faced?

Must Maintain Foreign Account

The whole stabilization plan rests on the assumption that the deposits to the bank's foreign account will be in such a relationship to withdrawals that the balance of the account will at all times be maintained at an adequate figure. If the deposits exceed the proper relationship the bank eventually will acquire a dangerously large balance abroad which it will not be able to repatriate without seriously disturbing exchange rate levels. If the deposits fall below the amount required, the bank will exhaust that balance and so lose its means of further rate control.

Let us take one obvious possibility first. It is quite often the case that the value of our imports greatly exceeds the value of our exports for six or seven months of the year, and these values are reversed when our wheat crop is sold. If the central bank in the first period has sold a large amount in New York funds to hold our dollar steady, and climatic conditions immediately preceding harvest bring about a serious crop shortage, the anticipated excess of inward remittances upon which it counted to re-establish its balance will not appear. The bank then faces the uncertainties of the next season's operations with its foreign balance seriously reduced.

The volume of trade, however, is influenced not only by such obvious and recognizable factors but by many obscure causes, such as changes in fashion, slight improvements in manufacturing processes, variations in local conditions and the like. It may well be that it is impossible to distinguish for some time between a definite and more or less permanent change in the volume of exports or imports and a casual and fortuitous fluctuation which will adjust itself in due course. The foreign balance of the central bank may be considerably depleted or increased by such a definite trend before trade statistics disclose and confirm that a permanent change has actually taken place.

Any Effect Would be Slow

The theory is that if, for example, the foreign balance of the central bank is being gradually depleted from some such cause, it will, by adjusting its domestic credit policy, stimulate exports and check imports. It will thus reverse the surplus demand for outward remittances and so rebuild its balance abroad. I have given in my second and third articles my reasons for doubting that the central bank can exercise a very effective credit control in Canada. Even if it succeeds in doing so any alteration in the flow of foreign trade which it could bring about would be extremely slow in developing or else would require rate changes so drastic as to affect most seriously domestic business.

Unless it can reverse the trend the bank must, before its foreign balance is too seriously depleted, drop its efforts at rate control and allow the exchange market to find its new natural level and then with its power of control considerably weakened recommence its stabilization operations at the new quotations, hoping for better success. The action or sterling since the Exchange Stabilization Fund was

(Continued on page 15)

Economic Wisdom Down the Ages

THE SCRIPTURES

"He that withholdeth corn, the people shall curse him, but blessing shall be upon the head of him that selleth it."
—*Proverbs 11:26.*

* * * *

EGYPT—2082 B.C.—4,000 YEARS AGO

"When famine came, the multitude, sorely oppressed, repaired in crowds to the stores and magazines of the king. The situation of the poorer and common sort was piteous beyond description; for having laid in but a very scanty store, and not being able to obtain a supply without ready money, when this was exhausted, they were reduced to the necessity of exchanging their cattle, slaves, lands, nay, their last little all, to procure grain from the king's granaries to protract a needy, miserable life. When, by these means, they became totally destitute, they were abandoned to a desolate world, that the king might secure their bartered possessions. . . .

"But when at length the river overflowed, watered the earth, revived drooping nature, and produced a fertile aspect, Joseph made the tour of the kingdom, and summoning the respective landholders restored to them such parts as they had sold to the king, on condition of their paying a fifth, as tribute to him by virtue of his prerogative and then enjoined them to the same diligence in their improvements, as if they were to derive the emoluments resulting from the whole. Transported at the returning prospects of plenty, and the restitution of their landed property, the people applied themselves to agriculture with unremitting assiduity, so that by this well-timed act of policy, Joseph established his own authority in Egypt, and increased the standing revenue of all its succeeding monarchs.—*Flavius Josephus.*

* * * *

THE PHILOSOPHERS

"Let all things that breathe, all spirits and all gods, all men and all women, overcoming sorrow and attaining cheerfulness, go forward freely, without obstacles, each in his own path."—*Buddha.*

* * * *

These quotations are from the collection of records and sayings throughout history in times of depression and adversity, made by H. G. L. Strange, director of the research department, Searle Grain Company, Winnipeg. More will be published in subsequent issues and readers are asked to send in similar quotations from their own reading of history.

SMOKING CAUSES LARGE FIRE LOSS IN RETAIL STORES

Analysis Made of 2,434 Fires Occurring Since 1923

SPRINKLERS GOOD

Fires Caused by Defective Electrical Equipment Not Considered Preventable

Retail mercantile fire records for 2,434 fires from January 1, 1923, to September 1, 1932, have as their most important cause the use of matches and smoking. The recorded proportion of fires caused in this way, amount to 31.4 per cent of the total of such fires. In addition, fires listed as caused by ignition of rubbish were probably due to careless smoking in over 50 per cent of such cases.

One of the chief reasons for this is that many people, not in the employ of the establishment, are necessarily in the store or building insured, and this makes it difficult to enforce "no smoking" rules. However, it is thought that this hazard could probably be reduced by greater care in the posting of proper warnings to offenders, and furnishing adequate receptacles for discarded matches and cigarette butts. Although this is the largest cause of mercantile fires, it should be considered a preventable one.

Retail Risks Important

The importance of retail mercantile establishments as fire insurance risks is indicated by statistics for the leading 65 cities of Canada for 1930, as compiled by The Financial Post Business Year Book. There were 51,427 retail stores in these Canadian cities in 1930, carrying stock valued at $265,647,400, and having sales of $1,770,656,500. These stores served a population in the cities concerned of 3,864,699, less than 40 per cent of the total population of the Dominion.

If other small centres in Canada were considered, the total value and number of retail mercantile establishments would show a substantial increase from the figures quoted above. Some of the most disastrous and costly retail fires in Canada each year occur in the smaller towns where fire protection and construction of blocks of buildings are not of a nature capable of giving the maximum protection to such properties.

For the first time in nine years, the National Fire Protection Association records of mercantile fires have again analyzed the fires recorded occurred in the United States between Jan. 1, 1923 and Sept. 1 1932, but the results may be considered generally applicable to Canadian conditions. The analysis of records of the 2,434 fires does not include fires in department stores, because of the variety of conditions in such establishments. Fire hazards in such stores are affected by the inclusion in one establishment of varying stocks of goods, much of which is highly combustible, and the presence of special hazards such as restaurants and kitchens. Private fire protection facilities are also more adequate in such establishments. For various reasons, the present record under consideration does not include many small fires in mercantile property and is by no means complete, but is large enough to constitute a good average.

Electrical Hazard

The records show that after matches and smoking as a cause of mercantile fires comes the electrical hazard. Defective wiring and short circuits are indicated as the major factors in this cause. It is considered that many fires classified under this cause are almost the only ones which can be considered unpreventable. Electrical causes were responsible for 15 per cent of the fires recorded.

Ignition of rubbish and litter caused 14.3 per cent of the fires recorded and is third in the list. A large proportion of fires caused in this way could also be included in the smoking classification, but the lack of good housekeeping in the stores plays its share in such causes. The accumulation of rubbish and litter of all kinds often provides the fuel necessary to starting fires by careless disposition of cigarettes and matches.

Defective and over-heated heating equipment is primarily a winter fire hazard and it is thought that careful attention to the heating plant prior to commencement of operations in the fall, and care in handling such equipment, can do much toward eliminating such losses. The tabulation of causes of mercantile fires is as follows:

Causes of Retail Mercantile Fires*

Cause	Fires No.	% of Known Causes
Matches — Smoking	317	21.4
Electrical Causes	221	15.0
†Ignition of Rubbish	211	14.3
Heating Equipment	163	11.0
Spontaneous Ignition	152	10.4
Exposure	91	6.2
Incendiary	54	3.7
Flammable Liquids	46	3.1
Electric Irons	43	2.9
Defective Chimneys	42	2.8
Other Known Causes	133	9.2
Total Known Causes	1,473	100.0
Unkonwn — Suspicious	43	
Unknown	918	
Total	2,434	

*Experience for 2,434 fires between Jan. 1, 1923, and Sept. 1, 1932, as compiled by the National Fire Protection Association.

†Probably 52.6 per cent of this category caused by smoking.

Value of Sprinklers

The great value of automatic sprinkler systems in mercantile fires is shown by analyses of the size of losses in sprinklered and unsprinklered mercantile fires. Wet sprinkler systems seem to have a slight advantage over dry systems in the records. An analysis of losses for the entire mercantile fire hazard group shows that nearly 45 per cent of the 2,434 fires involved caused losses of $5,000 or more. Losses of over $5,000 amounted to only 15.4 per cent of the total fires in sprinklered properties, but amounted to 82.8 per cent of fires in unsprinklered establishments.

(Continued on page 15)

Canadian Mining News

MINERAL OUTPUT IS $182,701,000 OFF 20 PER CENT

Preliminary Estimate Shows Gold Production Up 14 Per Cent

PASS SEVERE TEST

Resistance to Low Prices Reflected By Efficient Low Cost Mining Operations

A preliminary estimate of the volume of Canada's mineral production in 1932 by the Dominion Bureau of Statistics is $182,701,000, as compared with $228,029,018 in 1931, or a decrease of approximately 20 per cent.

Metallic minerals production amounted to $103,133,000, or approximately 57 per cent of the total, down 13 per cent from 1931. Non-metallic minerals including fuel amounted to $56,779,000, down a drop of 13 per cent from 1931, while the products from structural minerals were valued at $22,789,000 as compared with $44,158,295 in the previous year, or a drop of approximately 50 per cent.

The metallic mineral production sustained its high level owing to the advance in the gold output to some 14 per cent over the previous year. The 1932 output is estimated at $63,150,000. (The Financial Post estimate early in 1932 was $63,000,000). This valuation is in gold dollars whereas the greater part of the rest of the production of Canada's minerals is in Canadian dollars. Great credit is due Canadian metallic mineral producers which enabled them to stand up so well against the severe test given by the lowest prices in history. Their demonstrated ability to survive the present world-wide economic conditions is an indication of what may be expected once conditions improve. The drop in the value of metallic mineral output is reflecting decreased prices to a greater extent than the decline in volume.

Silver is By-product

Silver production in Canada continued to decline, reflecting the further curtailment of operations at Cobalt, Ont. Of the total production Ontario mines accounted for approximately 35 per cent, including silver found associated with base metal production as well as gold production. British Columbia contributed approximately 39 per cent total silver production in Canada in 1932, the Sullivan mine of the Consolidated Mining & Smelting Co. being the chief source for silver found associated with lead and zinc. The Yukon territory supplied about 16 per cent from the Mayo camp. The balance of the production was recovered from the copper-gold and auriferous quartz mines of Quebec and Manitoba. The first ore shipped from the Great Bear Lake field was treated at the Trail smelter of Consolidated Mining & Smelting Co., yielding some 37,250 oz. from ten tons of high-grade ore.

Copper Prices Low

The copper producers demonstrated great fortitude in resisting the lowest prices in history. The principal production was won as a by-product found associated with other metal stocks. While the decrease in the volume of production was 18 per cent, the value decreased 39 per cent.

Noranda Mines, the largest individual producer in Canada, finds its copper associated with gold, the output of which now places this property third among Canadian gold producers. At International Nickel, normally Canada's largest copper producer, curtailed operations restrict its output. In Manitoba the Hudson Bay Mining & Smelting Co. gradually increased its efficiency throughout 1932, bringing its capacity from a normal rating of 3,000 tons daily to close to 4,300 tons daily. Here the copper output increased correspondingly over the previous year as did the zinc and associated metals recovered. The Sherritt-Gordon Mines suspended operations in June, awaiting improved copper prices. In British Columbia the Granby and Britannia Mines operated continuously under greatly curtailed outputs and have been the hardest hit of Canada's copper producers.

Lead Maintains Position

The volume of lead produced in 1932 decreased but four per cent over the 1931 figure. Almost the entire output can be credited to the Sullivan mine of the Consolidated Mining & Smelting Co.

Zinc production in 1932 declined 27 per cent. Here again the Sullivan mine can take principal credit for the output, but during the year the Hudson Bay Mining & Smelting Co. gradually stepped up its operations resulting in a corresponding increase in zinc production.

Platinum Output Steady

The production of platinum was well sustained in 1932 notwithstanding the curtailed operations of the International Nickel Co., which accounted for practically the entire Canadian production. Developments have marked the Frood mine as the richest individual platinum producer in the world, which despite the curtailment of 50 per cent in initial production has yielded platinum, approximating the 1931 output.

In addition, cobalt, cadmium, arsenic and bismuth production aggregated approximately $3,000,000. Preparation is being made for the extraction of radium from the ores of Great Bear Lake and it is anticipated that early in 1933 Canada will make its initial contribution to the radium production of the world.

The fuel production of Canada was maintained at high levels during 1932 with the reduction in output down only 3.7 per cent from the previous year. Nova Scotia, as usual, was the leading producer with an output 17 per cent less than 1931, while Alberta's output increased by nine per cent and Saskatchewan's by 28 per cent. British Columbia showed a decrease of 12 per cent. Although the total Canadian production was less than in previous years progress continued along the lines of marketing Canadian coal in areas not heretofore served. This improved situation is to a large extent due to the assistance given the federal government in aiding Canadian producers to invade these highly competitive markets.

Natural gas production was 8.6 per cent under the 1931 output with Alberta accounting for 69 per cent of the total. The petroleum production declined 31 per cent with Alberta contributing nearly 88 per cent, principally crude naphtha won from the wet gas from the Turner Valley wells.

Asbestos production amounted to 118,407 tons, considerably lower than the 1931 output. Gypsum production also was considerably less. Salt production increased approximately two per cent over that of last year with the Simpson well in Manitoba inaugurating production.

Rising Tide of Gold Is Now Brightest Spot in Canadian Pictures

Had 80 p.c. Increase in Output During Period of Adversity

HOLDS FIRST PLACE

New Mines and Camps Make Canada's Gain Largest Shown in World

"'Tis gold which buyeth admittance," quoth Shakespeare in Cymbaline.

Increasing gold production in Canada has been the brightest star on the economic horizon. Two decades ago Canada's gold production was relatively insignificant. In 1932 its value was greater than that of any other individual commodity produced in the Dominion. Gold output is valued at $63,150,000 in gold dollars which, with exchange compensation added, brings the Canadian dollar value to well over $70,000,000—an increase of 80 per cent over the 1928 production.

Canadians are becoming "gold conscious." They are well aware that the Dominion's output of gold is now second only to that of South Africa; that it has staged the most rapid advance in gold output of any major gold producer in the world and that it bids fair to maintain this position. This unprecedented gold output from the mines of the Dominion has been more than an important factor in the economic life of Canada and in the maintaining of national credit; it has fired the ambition of the prospector and quickened his pace in the search for new gold properties. In so doing it has pushed back the frontiers, colonized new areas which are now making their debut in the ranks of gold producers. Thus, indirectly, Canada's tide of gold production has meant more than the cold figures of value might suggest. The maintenance of this vast army in the search for new properties has meant the purchase of great quantities of supplies.

Prospectors Return to Field

A gold strike means the purchase of equipment and as production is initiated, the buying of more equipment and more supplies helps to swell the industrial activity of the nation. The intensive search for and development of gold mines now under way throughout Canada can, to a large degree be traced to the psychological effect which the past three years of economic adversity have had on the mining profession.

During the heyday of market speculation it was a common sight to see in the cities large numbers of prospectors and mining men, seeking to win their fortunes via the market route rather than in their vocation in the bush. With the collapse of the market boom these people again sought employment in the search for mines and their record for the past three years is ample testimony to the success achieved under the stimulus of necessity.

Never in the history of gold mining has the search been so widespread, nor success so evident as during the past three years. Three years ago Ontario had two producing camps — Porcupine and Kirkland Lake. Today these have been supplemented by Red Lake, Michipicoten, Matachewan and Thunder Bay, not to mention the new areas and new strikes under intensive development to determine their mine-making possibilities. No less than five new mines have come into production in Ontario outside the old established camps in the last two years. Simultaneously, the established gold producers of Porcupine and Kirkland Lake have speeded their rate of production to unprecedented levels, with the result that in 1932 Ontario accounted for 76 per cent of Canada's gold production.

Ontario Leads

While Ontario has contributed the major portion of the gold production of the Dominion, the advance made by Quebec in the last three years is a challenge to Ontario's supremacy. Noranda, third only in Canada to the famous Lake Shore and Hollinger Mines, has steadily increased its output. Within a radius of a few miles, five other properties are in production or near production, and indications are that in immediately succeeding years the easterly extension of the sedimentary belt which houses the rich mines of the Kirkland Lake camp will find its counterpart in northwestern Quebec.

Manitoba, too, has come in for its share of gold mining activity. The mighty Flin Flon has steadily increased its efficiency to 50 per cent over its rated capacity, with a corresponding increase in gold production, won as a by-product from its copper-zinc ore. In 1932 the Central Manitoba area added another producer, while the Island Lake area, prospected the previous year, is equipping for production early this year.

Saskatchewan joined the ranks of the gold producers in 1932, as a property near the interprovincial boundary, adjacent to Flin Flon, came into production.

Alberta, too, made its bow as a gold producer in 1932, when dredging was initiated on the placer beds of the McLeod River.

British Columbia, Canada's pioneer and for many years its premier gold producing province, has also experienced a wave of activity. New mills, rehabilitation of old mills, mill expansion, have all helped to swell British Columbia's gold output, and indications are that sites of placer mining decades ago are to be gone over again with modern mills to treat the ore from its lode deposits.

Whatever hardships have been inflicted on Canada's industrial structure, the period of economic adversity during the last three years has had the stimulating effect of bringing to the fore Canada's gold producing potentialities, and an era of unprecedented prospecting may result in increasing gold production for decades to come.

Spooner Oils to Pay Interim Dividend

Spooner Oils Ltd. declared a second dividend of three cents per share payable January 15, 1933, to shareholders of record January 5. The declaration will call for disbursement of approximately $22,000 bringing the total disbursement paid by the company to nine cents a share or approximately $65,000, an initial dividend having been paid March 10, 1931.

An official announcement said the company had no public liabilities and had sufficient funds as well as enough casing on hand to drill another well. The decision to drill another well will not be reached until the Turner Valley Conservation Commission endorses the plan.

South Keora Mines Shareholders Meet

At an annual meeting of shareholders of South Keora Mines Ltd., held in Toronto last week, the financial statement was presented covering operations from the inception and incorporation of the company in 1921.

The current assets, all in cash, amounted to $1,000 while current liabilities, including accounts payable, amounted to $4,213. The balance sheet showed millings valued at $1,736 and development costs of $96,813. The authorized capitalization is $3,000,000 in $1 par value shares of which $2,771,079 are outstanding made up of 2,000,000 shares issued for property and 771,079 shares issued to purchasers. As the discount on the share accounts stands at $675,743 indications are that total cash raised by sale of stock was $95,336. Of the total stock issued 1,000,000 shares are held by trustees for the benefit of the company.

The existing board of directors was re-elected for the ensuing year headed by William B. Gunton as president.

Bidgood Mines Creditors Meet at Osgoode Hall

At the first meeting of creditors of Bidgood Consolidated Mines, Ltd., now in bankruptcy, at Osgoode Hall, Toronto, last week a statement of affairs was submitted which showed liquid assets of $13 in cash, $236 in accounts receivable, $128,704 in plant and buildings and $2,470,132 in mining properties and $257 as a claim of the damages against Teck township. Claims of prefered creditors amounted to $7,349 and ordinary creditors $28,908.

Liabilities included: Canadian Industries, Toronto, $2,505; Northern Ontario Power Co., New Liskeard, $4,081; Union Trust Co. Ltd., $1,779; W. B. McPherson, Toronto, $2,300; McPherson and Co., $1,172; estate of L. Erenhous, Toronto, $1,200; Mrs. L. Erenhous, Haileybury, $2,126.

Georgia River Gold Seeks Funds For Further Work

Development work at the Georgia River Gold Mines in the Portland Canal Mining Division of British Columbia has been suspended until next spring on account of climatic conditions. Further financing is planned to take care of next season's work, according to Wellington Beaton, president of the company. On the new low level dike on the south west vein approximately 325 ft. of drifting has been done all of which was reported in ore except for two small sections.

Canadian Mineral Production

Compiled by The Dominion Bureau of Statistics

OFFICIAL ESTIMATE OF THE MINERAL PRODUCTION OF CANADA, 1932

		1931		1932	
		Quantity	Value $	Quantity	Value $
Metals:					
Gold	fine oz.	2,693,892	55,687,688	3,055,168	63,156,000
Silver	fine oz.	20,562,247	6,141,943	18,333,838	5,818,000
Nickel	lb.	65,666,326	15,267,453	29,274,871	6,987,000
Copper	lb.	292,304,390	24,114,065	240,876,246	14,746,000
Lead	lb.	267,342,482	7,260,183	256,343,996	5,420,000
Zinc	lb.	237,245,451	6,059,249	171,747,600	4,112,000
Other metals	......	....	3,993,858	....	2,894,000
Total metals	......	....	118,524,439	....	103,133,000
Non-metals:					
Fuels:					
Coal	tons	12,243,211	41,207,682	11,786,580	37,441,000
Natural gas	M. cu. ft.	25,874,723	9,026,754	23,654,600	8,873,000
Peat	tons	1,674	7,033	....	....
Petroleum, crude	brls.	1,542,573	4,211,674	1,050,300	2,891,000
Total fuels	......	....	54,453,143	....	49,205,000
Other Non-metals:					
Asbestos	tons	164,296	4,812,886	118,407	2,897,000
Feldspar	tons	18,243	186,961	5,776	71,000
Gypsum	tons	863,752	2,111,517	485,205	1,178,000
Quartz	tons	195,724	303,158	145,839	217,000
Salt	tons	259,047	1,904,149	264,674	1,951,000
Talc and soapstone	......	....	157,083	....	158,000
Other non-metals	......	....	1,417,387	....	1,102,000
Total other non-metals	......	....	10,893,141	....	7,574,000
Total fuels & oth. non-metals	......	....	65,346,284	....	56,779,000
Structural Materials:					
Clay products (brick, tile, sewer pipe, pottery, etc.)	......	....	7,841,288	....	4,098,000
Cement	brls.	10,161,658	15,826,243	4,555,261	6,997,000
Lime	tons	334,785	2,764,415	819,945	2,199,000
Stone and sand and gravel	......	....	17,726,349	....	9,500,000
Total clay products and other structural materials	......	....	44,158,295	....	22,789,000
Grand total	......	....	228,029,018	....	182,701,000

Canadian Mining Stocks Under Thumb Nail Review

Arno Mines — Newbec Mines

Arno Mines

Arno Mines was incorporated in 1927 with a capitalization of $3,000,000 to develop property in Quebec through controlled companies, principally the National Base Metals Corp. Ltd., holding some 1,200 acres in Desmeloizes township.

Until work was suspended in 1930 principal and interest in the company centred about its 90 per cent share interest in the Coxheath copper property in Cape Breton county, Nova Scotia, where some $300,000 is reported expended to rehabilitate this old time producer. A fair tonnage of ore is reported to have been put in sight, but with decline of copper prices all operations were suspended.

Subsequently Arno has acquired and dropped options on properties in Rouyn township, Joannes, Senneville townships, Quebec, in Montrose township, Ontario, also in Manitoba and in Alberta.

Interest was revived in the company this year when it acquired control of the North of 60 Syndicate, formed to stake claims in the Great Bear Lake area. In the summer of 1932 four groups of claims, some 31 claims were staked in this area. A base has been established with the equipment and supplies and it is proposed to conduct exploratory work in 1933.

Re-enters Rouyn Area

Following the discovery at the McWatters property in Rouyn township this past autumn, the company staked adjacent territory. Several years ago the company was interested in this area and actually held the McWatters claims at one time, but dropped them, not recognizing their importance.

A perusal of the history of the company shows that syndicates formed to act as vendors of property to the company were well remunerated.

Although the company has been active in acquiring properties, little constructive work has been done. Attention has been attracted to the company on account of its revisions of capital structure and financial programme. First, the capitalization was increased to 5,000,000 shares, then 6,000,000 shares and recently it underwent a capital reorganization, the old shareholders getting one new share for each five held. Current authorized capitalization is $2 500,000 in no par value shares, making available 1,000,000 shares for further financing.

Newbec Mines

Newbec Mines was incorporated in 1927 with a capitalization of 5,000,000 no par value shares to develop copper properties in Quebec. Following an extensive development programme some ore was shipped to the Noranda smelter, but declining copper prices forced operations to suspend early in 1931. Since that time the company has been searching for a gold prospect of merit that it might perpetuate its mining activities. Many properties have been prospected but dropped after preliminary examination. This past season its prospectors staked claims at Hotstone Lake, Greenlaw township, Swayze area, Ontario. Principal interest now centres about these and adjacent holdings.

Systematic sampling and trenching have been under way and in past weeks a recent report to shareholders summarizes activities as being, on the whole, inconclusive This work, according to the report, has brought out two important conditions, one encouraging and the other unfavorable. On the discovery vein at the Hotstone Lake property it was found that the type of quartz, in which the gold occurs, is erratic as to the three dimensions and inclined to pinch out at depth.

At the company's claims south east of the Hotstone Lake group, favorable geological conditions are known to exist and prospecting is to be continued to complete the first year's assessment work in the hope that more favorable veins will be encountered.

The financial statement of the company, dated April 30, 1932, shows bonds and debentures having a market value of $10,450 and cash amounting to $268. Current liabilities are shown at $1,335. Since the date of the financial statement the company's investments have appreciated somewhat and in addition the company has received some $10,000 insurance money from the loss of the mining plant at its Quebec property. Current funds are sufficient to complete the company's immediate programme and 874,993 shares still remain unissued in the company's treasury.

Manganese Deposits Numerous in Canada

One of Canada's Little Known Mineral Resources Under Review

Manganese is a hard, brittle, non-magnetic metallic element, having a greyish-white color, tinged with red and rusting like iron. It does not occur uncombined in nature but occurs in many minerals. These common ore minerals are pyrolusite, manganite, braunite, casilomelane, wad, bog manganese, rhodophrosite and rhodonite. Commercial ores of manganese contain approximately 45 per cent of the element.

Although manganese oxide has been used since early Egyptian times, principally in coloring glass and pottery, it was not until the 19th century that it was discovered that it could be used to considerable advantage in the manufacture of steel and as a consequence over 90 per cent of the world's production is now consumed in the manufacture of manganese steel and iron alloys. It is also employed to some extent in the manufacture of electric dry cells, paints and dyes and an increasing use has been as a coloring agent in the manufacture of ceramic ware, principally brick.

Is Widely Distributed

Manganese is widely distributed throughout the world. Like many other metals manganese forms only a small fraction of the earth's crust and yet like other metals it is found in places in relatively large deposits, many of which are formed by the leaching out of the scanty manganese content of the rock and subsequent concentration in relatively rich deposits. Minute quantities of manganese are present in most living organisms and become deposited as hydrous manganese oxide forming bog manganese. Some of the valuable deposits in the world are of the oxide type, consisting mostly of manganese oxide in black sedimentary beds, which are interbedded with ordinary shale sandstone. Beds of manganese ore commonly contain nodules of manganese oxide in places 10 ft. or more thick. It seems that these manganese oxides may have precipitated out of the water as the sedimentary bed formed.

Some of the largest deposits in the world are of the sedimentary type, notably those in Russia and Brazil which are the two largest producers of the element.

Deposits of bog manganese are of very common occurrence in Eastern Canada. Most deposits of this kind are small and contain a great deal of iron oxide and peaty matter. Bog deposits have supplied some of the world's manganese, but so little compared with other manganese ore deposits that they are quite insignificant. In Canada a small production has been taken from bog deposits, the ore finding a market principally in the ceramic trade, as a coloring agent.

Known Since 1862

Altogether 145 manganese properties are known in Nova Scotia and New Brunswick. In addition deposits are known in Quebec, Ontario, Prince Edward Island and in nearly every province in the Dominion, but the deposits of Nova Scotia and New Brunswick, some of which have been known since 1862, have come in for the greatest share of attention. Canadian production is relatively insignificant and the total recorded production between 1886 and 1930 is but 15 458 tons. The greatest shipment of manganese ore in the present century was in 1916 when 957 tons were shipped. In 1930 a few tons of high grade pyrolusite ore was shipped from a dump at a property in Lunenburg county, N.S. Manganese ore was also mined and shipped from the deposits near Turtle Creek Station, Alfred county, N.B., these shipments going to electro metallurgical and steel plants. A small quantity has also been shipped from British Columbia for experimental purposes. The New Brunswick Mineral Development Co., of Hillsboro, N.B., owns the Dawson Settlement deposits, and in 1931 was quoting $7 per ton for bog manganese f.o.b. cars. This deposit is one of the best known in the Maritime Provinces and was formed from springs issuing at its upper margin, where the deposit is about 15 ft. thick, tapering toward the edges. The material in the bog contains less than 10 per cent manganese. One of the best known and most valuable types of replacement origin is a deposit at Markhamville, Kings county, N.B. Here the ore occurs as nodules within the clay.

Russia Main Source

The world production of manganese ore in 1930, the last year for which figures are available, was approximately 4,032,000 tons of which 1,728,565 tons came from Russia, the world's largest producer. United States is an important consumer of manganese and obtains its principal supply from Russia. Next to Russia in importance as a producer is India, which in 1930 produced 929,540 tons. These deposits are controlled by British interests and operated by the Central Provinces Manganese Ore Co. The Gold Coast of Africa, also is an important producer and in 1930 it exported 467,589 tons. Next in importance comes Brazil, which in 1930 had a production of 178,615 tons, a large percentage of which went to United States. These Brazilian deposits are controlled by United States interests connected with the steel industry.

Prices on manganese ore are based on the unit of per cent of metallic manganese. In 1931 the Brazilian price was 25 cents per unit, while the average price per long ton for 80 per cent manganese in 1931 was $79.47 as compared with $114.70 in 1925. The production from Russia has been steadily increasing and it has had the effect of curtailing the production of other countries, although the output on the Gold Coast has been able to compete on account of the short rail haul.

Canada Can Not Compete

While there is increasing diversified use for manganese in steel and iron alloys the market and prices for the ore have suffered a substantial decline in the last couple of years.

In so far as Canada is concerned, its deposits while numerous, and widespread throughout the Dominion, are not large, nor are they in a position to compete with the present large world sources for the element, except for local use such as the ceramic trade. Numerous companies have been formed to exploit in Nova Scotia the manganese deposits in the Maritime Provinces, but at the present time there are no commercial producers in operation.

Mining Institute to Hear of Ungava Prospecting

Toronto mining men will have an opportunity of hearing an illustrated address on the mineral prospecting problems and possibilities of that heretofore unexplored northwestern corner of Ungava bounded by the east shore of Hudson Bay and Hudson Straits, when W. B. Airth, B.Sc., speaks to the Toronto branch of the Canadian Institute of Mining and Metallurgy at its monthly dinner on January 9, at the Royal York Hotel.

Mr. Airth recently returned from a 16 months expedition to this area in charge of a prospecting party for the Cyril Knight Prospecting Co. The trip involved a 1,200 mile canoe trip which started at Moose Factory and followed up the east shore of Hudson Bay. Last winter was spent on the mainland near Cape Smith, some 140 miles south of Cape Wolstenholme, where a base was established for the expedition that carried the party farther inland than white men have ever been known to explore.

The Ontario Prospecting Association has been invited to attend the meeting.

Quebec Gold Output Lowest in November

Gold production in Quebec for November registered the low point in the year with an output of 27,794 oz. as compared with the peak production of 41,802 oz. in May.

The decline of Quebec's gold production in the past few months can only mean that the output from Noranda Mines has been curtailed, since the other producers, although small, have been maintaining a normal output; in addition, two new producers, O'Brien - Cadillac and Treadwell-Yukon, have inaugurated production in recent months.

The following tabulation gives the production for October and November with the total for the 11 months of 1932:

Quebec Mineral Production

	Nov.	Oct.	1932 to Nov. 30
Asbestos, tons	11,616	13,232	105,963
Gold, oz.	27,794	29,269	370,984
Silver, oz.	46,914	53,105	586,346

Trail Smelter Receipts

As evidence of the activity among the smaller mines in British Columbia, the following list shows 72 shippers of ore to the Trail smelter of Consolidated Mining & Smelting Co. in the 11 months period ended November 30, 1932. Of these shippers, [illegible] were from British Columbia; two from Ontario; one from Manitoba; one from Great Bear Lake; fourteen from Washington and one from Montana.

The quantities shipped by each are as follows:

Mine	Location	Dry Tons
Arlington	Erie	3
Aurum	Aurum Siding	8
Bell	Beaverdell	1,602
Ben Hur	Republic	239
Blackcock	Ymir	55
Bosun	Silverton	22
Boulder City Group	Boulder Siding	187
Carmi	Carmi	124
Central Manitoba	Wadhope	1
Cliff	Silverton	2
Chapleau	Slocan City	2
Columbia	Erie	19
Dawson	Aurum	86
Dynamo	Greenwood	2
D.A. Mine	Greenwood	7
Eldorado	Great Bear Lake	11
Evening Star	Rossland	80
Enterprise	Paulson	24
Gem	Orient	3
Gold Drip	Rossland	2
Gold Drop	Greenwood	18
Gold Viking	Slocan City	1
Golden Eagle	Nelson	[illegible]
Goodenough	Ymir	[illegible]
Grandore	Penticton	[illegible]
Granite	Taghum	91
Gold Hill	Erie	2
Highland Lass	Beaverdell	527
Hixon Creek	Prince George	8
I. X. L.	Rossland	84
Kerr Lake Lease	Cobalt	37
Keystone	Erie	28
Kilo	Silverton	5
Knobhill	Republic	1,600
Kootenay Belle	Salmo	195
Little Giant	Orient	8
Lone Pine Surprise	Republic	30
Meteor	Slocan City	17
Midnight	Rossland	341
Minnehaha	Danville	23
Morning Glory	Republic	110
Mountain Lion	Republic	920
McKinney	Rock Creek	1
Nevada	Nelson	28
North Star	Greenwood	127
O'Brien	Cobalt	446
Oliver	Oliver	18
Parvenue	Penticton	125
Perrier	Nelson	858
Pickworth	Methow	1
Prosperity	Meyers	5
Queen Mine	Salmo	19
Rene	Salmo	54
Rio	Rambler	45
Royal Canadian	Nelson	8
San Poil	Republic	237
Second Chance	Park Siding	4
Silver King	Tulameen	129
Snowdrop	Rossland	1
Silversmith	Sandon	30
Stemwinder	Greenwood	32
Sunday Star	Meyers Falls	5
Sunset	Orient	357
Spokane Idaho Cu. Co.	Libby	106
Trevitt	Republic	2
Union	Lynch Creek	1,484
Vancouver	Salmo	113
Venus June	Nelson	123
Victor	Sandon	31
Wellington	Beaverdell	613
Wilcox	Ymir	90
Yankee Girl	Ymir	7,111
Total Customs		19,082
Total Company		262,987
Grand Total		282,069

Canadian Aluminum to Japan

Japan was the largest purchaser of Canadian aluminum in November, the quantity being 4,110,600 pounds valued at $616,479. The United Kingdom got 2,829,900 pounds at $440,708. The total export was 7,210,100 pounds at $1,103,611 which was nearly five times the export of a year ago. However the total export during the last twelve months is considerably below that of the previous twelve months.

Exchange President

G. W. NICHOLSON

Re-elected president of the Standard Stock & Mining Exchange, Toronto. This is Mr. Nicholson's second term. All officers were reelected for 1933 by acclamation and include N. C. Urquhart, first vice-president; H. A. Hutson, second vice-president; Manning Doherty, secretary; F. J. Crawford, F. W. MacDonald, J. T. Cannon, C. I. Coulter and J. M. Scott, directors.

Rubber Exports in November

Export of rubber goods in November was valued at $546,544 of which Great Britain took nearly one half. The value in October was $692,379 and in November last year $859,612. Last month's export included 30,479 pneumatic tire casings valued at $235,481, going to 62 countries. The largest buyers were: British South Africa, $35,562; United States, $29,970; Brazil, $24,555; Spain, $17,964; British East Africa, $17,237.

Nickel Exports Down

The export of nickel in November totalled 31,509 cwt. at $754,387 compared with 33,825 cwt. at $786,862 in the same month last year. United States, Great Britain, Netherlands and Norway were the chief buyers last month.

Platinum Sent to Norway

Norway took all of Canada's export of 91 ounces of platinum in November. The value was $3,648. The total export during the past twelve months of 16,181 ounces valued at $1,289,563 was slightly in excess of the previous twelve months.

Goodyear Tire Profits Are Down In Trying Year

In sending dividend cheques to preferred and common shareholders of Goodyear Tire and Rubber Company of Canada, C. H. Carlisle, president and general manager, states that the year has been most trying and disappointing. The letter continues in part as follows:

"Your Company has maintained its proportionate share of the available business and has used the maximum of economy throughout the organization, but the low volume of business, both domestic and export, has had the effect of increasing unit costs and thereby reducing profits."

The letter states that inventories will be taken as of December 31, 1932, adjustments will be made for obsolescence and depreciation and a complete statement will be rendered to shareholders as early in the year as possible, likely the latter part of January or the early part of February.

Gold Exported to U. S. A.

Export of gold bullion to the United States in November was valued at $3,522,244 and raw gold $285,353. The gold bullion sent in the last twelve months amounted to $51,038,526 and raw gold $3,880,502. In the previous twelve months the gold bullion was $25,216,251 and the raw gold $18,321,873.

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Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Canadian Oil Cos.

The writer would be pleased indeed to receive your remarks as to the financial position of the Canadian Oil Companies.

At the present time we understand that the company is paying dividends amounting to 10 per cent. If it is your practice to discuss the possibility of the company maintaining its present rate of interest we shall be glad to hear from you regarding this matter.

Canadian Oil Companies is still paying dividends on the common stock at the annual rate of $1 a share, which rate has been maintained ever since the old common stock was split six for one in April, 1927. Throughout the history of the company from 1918 preferred dividends have been paid at the rate of 8 per cent. The first payment on common stock was in 1919 at 1 per cent and in 1920 at 15 per cent. There were no payments in 1921 or 1922, 1 per cent in 1923, no payments in 1924 and 1925, and 5 per cent in 1926. Since then payments have been made regularly. Amount available for the common stock decreased somewhat in the last three years, earnings in 1929 being $2.89 a share, in 1930 $1.35 a share and in 1931 $1.20 a share. Though sales in 1932 have shown a moderate decline it is stated that earnings were sufficient to cover dividends and take care of depreciation and other proper charges against operating profits.

Working capital position was strong at the end of 1931. In that year bank loans and advances were reduced from $450,000 to $100,000.

As to the probabilities of this company continuing its dividends in the future you can judge that as well as we can. The records are there and are quite favorable. On the other hand there is always the background of pressure of crude oil supplies and of gasoline on markets, declining prices, and the possibility of increased competition with lower margin of profits. The long view looks excellent, but until business gets on a decidedly more stable and favorable basis one cannot be sure that every dividend will be earned and paid even by companies whose records are good.

Imperial Oil

Will you please give me your opinion of my holdings in Imperial Oil?

Imperial Oil is financially one of the strongest companies in Canada and it is the leading company in its industry. That position gives it great responsibilities as well as great opportunities. At present the company is selling gasoline at a price which shows a very small margin of profit and that is the case for all its competitors as well.

Imperial Oil has owed large amounts on sales of gasoline and other oil products made to farmers in Western Canada in 1929 and 1930, and because of the large drop in the price of grain has offered to forego back interest to spread payments over five years and to accept payment on basis of price of wheat.

This will be a loss which will have to be written off from accumulated surplus made in good years.

It must also be realized that the payment of 50 cents a share by Imperial Oil is not all made in Canada. Sixty per cent of that dividend has in the past come from earnings outside of Canada and mainly by International Petroleum which holds huge areas of oil producing territory in Peru and Colombia.

Naturally disturbed political conditions in those countries from time to time are apt to cause anxiety among investors, although International Petroleum has survived many such apparent crises. More important from the profit standpoint at present is that there is a tremendous potential overproduction of crude oil in the world and particularly in the United States. This company has been selling its crude oil on the basis of mid-continent prices and therefore its selling price is determined in the United States. International Petroleum does not publish a separate balance sheet and its earnings are incorporated with those of Imperial Oil. We are, therefore, unable to hazard any suggestion as to what the future will be for International Petroleum, because we cannot guess when world consumption will catch up to the present large production.

Both companies are exceedingly well managed and they will probably show as good a situation over a long term of years as any. The present proposal to bring in Russian crude, if accepted, would not be helpful to the company.

To Sell or To Hold

I hold British Columbia Packers preferred. Ford of Canada "A" stock, Paramount Publix common, Page-Hersey common, Goodyear Tire common and some bonds of Brazil, Sao Paulo, Argentine, Peru. Would it be good business to sell some of these and what? I am rather inclined to sell the South American bonds if I can get a good enough price. What do you think?

You will find little market at present for British Columbia Packers preferred stock. That company, however, has in the last three years greatly improved its financial position in that it no longer has such large unsold surpluses of canned salmon to dispose of. Just at the moment prospects for sale of the pack are interferred with, to a certain extent, by the fact that the Japanese canners are able to undersell in France and some other countries, because the yen has depreciated to half its former value. Naturally, in a time when there is more stability in the relationship of the various currencies of the world, the opportunities of this company to do profitable business should be improved.

Your South American bonds are in the same category in that sale will be difficult until Brazilian exchange has been improved and until international relationships are once more on a stable trade basis, so that there will be enough money for these countries to pay their interest and principal maturities as they arrive. Sales just now would be a sacrifice. By revolution, rebellion or by mismanagement it is possible that affairs might be made worse in Brazil and other South American countries but a hold would be in line for one who feels that the probabilities favor eventual recovery.

It might be better for you to wait until Ford of Canada's next annual statement is published. You will then have a view of the business done during 1932. Actual sales have shown this company giving a relatively good account of itself, but it is very unlikely that earnings have been sufficient to make dividends probable in the near future. There must be a considerable improvement in automobile buying before this and other companies in the business can show a real improvement. However, this company has made most advantageous arrangements with the Ford Company in England and has done a larger export business than any other Canadian company this year. It is in an excellent position financially and otherwise to take advantage of any stirring up of business.

Paramount Publix Corporation has had a most difficult time in the last few years and because of agreements made to purchase back its own stock during the merger fever of a few years ago it has been brought close to bankruptcy. It has been protected by banks, however, to a large extent and it is now in the throes of a policy of decentralization, whereby it will stick in the future to the film business and leave the distributing and exhibiting companies to look after themselves. The film end of the business has hitherto always been profitable and recent losses have been all made at the exhibiting end. The company has been hoping that the new line of films brought out from Hollywood would help it to recover its position. The annual statement will be watched with great interest to see if this is so. If bankruptcy can be avoided by this and other large companies of the same kind, a hold of the stock might prove eventually very remunerative. Up to the end of the third quarter losses were very large, however, and a time of watchful waiting still seems in order.

Page-Hersey Company and Goodyear Tire Company both have wonderful records in the last few years, but now business has dropped considerably and earnings must drop with it. Their prospects are linked up with increasing activity in business. Both companies are sound financially and well managed.

Canadian Canners

I note Canadian Canners' common is selling around $3. Here in Saskatchewan I am too far away to be able to keep in touch with market factors and would like your opinion of a purchase. What do you think of the future of Canadian Canners' common?

Canadian Canners' common stock and the second preferred stock may be considered together because the second preferred is convertible into common on an even basis. The past record of the company and the present efficiency of operations give considerable attractiveness even though earnings in the last two years have not been very great. You probably have noticed from various articles in The Financial Post that competitive conditions have been particularly strenuous in the canning industry and also that in this year prices have improved because of an agreement among independents and because banks refused to finance overproduction as they had done in some previous years. Even at enhanced prices and the activity which Canadian Canners has been displaying so far as volume and diversity of products are concerned, no one can tell before the annual meeting how much will be available for dividends. One who purchases these shares does so because he has confidence that the policy followed by the company of continued diversification of products, of wide advertising of the "Aylmer" brand, and in pushing export sales will be very advantageous when the time of good business comes.

It would be in spite of the fact that dividends paid last year were not earned.

Goodyear - Simpson's

My securities consist of the following:

2 shares Goodyear preferred.

$500 Simpson's Ltd. 6% bond, purchased at $500.

10 shares Simpson's Ltd. 6½% preferred purchased at $93.75.

$500 yearly available for investment.

I am considering the policy of lowering the average cost of present holdings, which would mean no new commitments for some considerable time, which would leave my income from investments at its present low point or lower. It is debatable whether income from say $600 would be better than possible appreciation from further investment in the above securities. I could purchase later if opportunity offers 5 shares of Simpson's Ltd. to bring down average cost and if values go up during the next few years, would I not stand a better chance of redeeming present losses than if I considered present income?

So far as your Goodyear Tire of Canada preferred stock is concerned, the company still pays its common dividends and the latest statement of the management indicated that these dividends had been earned. The preferred stock has a good investment rating because of the splendid showing which the company has made during the depression period when current demand had a considerable drop in the industry as a whole. The president of the company states that this company has maintained more than its relative share of business during this period. Much naturally depends on increasing automobile sales and increasing use of automobiles and trucks for the maintenance of this preferred position. The trend has been all that way during the last decade and still points to increasing use over a long period. One cannot overlook the fact that in the United States capacity for tire production was increased far beyond the possible consumption, but even there through research work various other avenues of utilizing productive capacity are being brought into being. In Canada the situation is better, but the position of any tire and rubber company will depend on keeping in the forefront of advance in this way while maintaining a strong financial position such as Goodyear has.

Simpson's bonds and preferred stock have not enjoyed so high a place as formerly in the last year because of the effect on business of departmental stores of the dropping price levels, high duties on imports and lower activity of business. The company's earnings were also limited by the fact that last winter was mild and the summer that followed not very hot. The mild winter limited sales of seasonable garments and of sporting goods and the cool summer also prevented the usual scale of purchases of seasonable goods for the summer. The company has deferred its dividends on the preferred stock, but it would be better to wait until its year ends, toward the end of January, to find out how earnings stand with reference to the bonds of Simpson's Ltd. Cold weather at the outset of the present winter stirred up business considerably.

When it comes to averaging down the cost of former investments it is not usually the best way to buy some more of the same stock as that is simply taking a hair of the dog that bit you. It might easily be that stock of the same kind might look attractive at a lower figure for purchase, but the investment value of it should be considered entirely apart from your desire to average down. You might average down a good deal better by buying a promising stock of another company altogether which would have a better prospect of increasing in value and, therefore, make up the losses in the other parts of your list. This would give greater diversification as well.

Simpson's Ltd. is well managed. It enjoys excellent credit and with returning business activity it could be counted on to make an adequate effort to bring its earnings up again to something like old levels.

Inter. Power

Among my holdings are some bonds of International Power Co. Would you please tell me how this company is getting on; I have considered whether I should sell.

International Power Co. has not made public its financial statement for 1932, but our understanding is that the company has had a satisfactory year. Porto Rico Power Co., its chief revenue producer, suffered some loss from a hurricane in the fall but damage has been repaired and the system is operating practically at normal capacity. The company was able to absorb the loss without difficulty. Owing to the economic situation in Bolivia and the effects of depreciated currency, revenue derived from the subsidiary operating in that country has shown a decline but we understand that the property itself has made a satisfactory showing. Interest on International Power Company's bonds has been earned and it is likely that the balance sheet will show a reduction in bank loans at the end of 1932.

Canadian Car

As a reader of The Financial Post I would be obliged for your opinion on prospects for Canadian Car and Foundry Co. I have thought of making a small investment in this stock but do not want to make a rash purchase.

Operations of railway equipment companies have been virtually at a standstill for the past year; in the fiscal period ended September 30, 1932, Canadian Car and Foundry Co. did not receive a single order for a car. Owing to restricted revenues and lower expenditures of the railways, there is no immediate likelihood of large scale buying of rolling stock, and indications are that Canadian Car will have another lean year. In the last fiscal period operations resulted in a loss of $913,193; common dividends have been suspended though payments on the preferred are still maintained.

It is evident that eventually railways must again come into the market to replace their worn-out equipment and the factor to consider is whether Canadian Car will be able to maintain its position until earnings improve. The last balance sheet showed cash and investments totalling $3,000,000, no bank loans, and, as you know, no funded debt. Balance at surplus was $4,437,869. With these resources the company should be able to hold on for some time though whether preferred dividends will be maintained cannot be estimated. Eventually it may be assumed that the company will receive its full share of what business there is offering as it has in the past.

McLaren-Quebec

I am considering the purchase of a small amount of McLaren-Quebec bonds, but before doing so would like to have your opinion on the security. Has its output been sold and will revenues be sufficient to take care of bond interest?

McLaren-Quebec Power Company is still in the formative stage. Construction is proceeding according to schedule and indications are that the company will be able to deliver power to the Ontario Hydro Commission in accordance with its contract beginning July 1, 1933. According to estimates made at the time the bonds were issued, it was claimed that net earnings from the Hydro contract and from the contract with the James McLaren Company, before depreciation would amount to $990,000 for the year beginning July 1, 1933, and increasing progressively to $2,177,000 for the year beginning November 1, 1936. Annual interest requirements on the present issue of $12,000,000 series "A" bonds are $660,000.

It is estimated, therefore, that revenues derived solely from the sale of 125,000 h.p. contracted for by the Ontario Hydro will be sufficient, after operating expenses but before depreciation, to provide earnings equivalent to more than 1.5 times interest requirements on the total authorized amount of $18,000,000 of first mortgage bonds, when the contract is in full force.

Howard Smith

I would appreciate hearing from you in regard to the position of Howard Smith Paper Mills especially as to their bonds.

Though earnings of Howard Smith Paper Mills have shown a decline in 1932, our understanding is that bond interest has been covered. The company is one of the largest fine paper manufacturers in Canada, and is quick to reflect any change in business conditions. Prices of fine paper have been fairly well maintained; demand, however, has fallen with restricted business activity. Prospects for an early improvement are not apparent as yet, but the company is getting its full share of what business there is offering.

Canada Steamship

In view of the low quotations on the 6 per cent bonds of Canada Steamship Lines, I would be obliged if you would give me some information on this company's outlook. Do you think that interest will be paid and are the company's finances sound?

Position of the 6 per cent general mortgage bonds of Canada Steamship Lines is uncertain. Though operations showed some improvement in the early fall our understanding is that earnings are not likely to show much gain, if any, over last year and the possibility of a reorganization must be admitted. In 1931 earnings were not sufficient to cover interest charges, after depreciation, and a deficit of $597,267 was brought forward into 1932. Bank loans amounted to $2,750,000 and current liabilities exceeded current assets by nearly $2,000,000. In this light, prospects for a maintenance of bond interest are not entirely encouraging. Present quotations on the bonds appear to be discounting the future; whether you sell depends upon your willingness to take the loss involved and obtain the cash or await further developments which possibly involve a reorganization.

Total Ham Exports Rise

The export of bacon and hams in November amounted to 1,626,200 pounds valued at $168,930, compared with 2,859,500 at $322,658 in October and 2,214,800 at $286,668 in November, 1931. The total for the past twelve months was 36,210,300 at $3,850,153, compared with 11,287,200 at $1,993,642 in the previous twelve months. The United Kingdom took the bulk of the export.

Dairy Corp. Debentures May Drop Interest in 1933

Increasing Taxes, Milk Wars, Cool Summer, Exchange Difficulties and Depression, Which Prevented Full Financing, Blamed—Expenses Reduced and Better Results Hoped For

Debenture holders of Dairy Corp. of Canada will meet toward the end of January to consider recommendations from the directors that interest be deferred for a year and that the sinking fund of 1 per cent each half-year be cancelled for a period of five years, beginning January 1, 1933. Working on this plan, directors have already deferred interest due on January 1, 1933, and propose to defer the interest due July 1, 1933, as well. The deferred interest will itself bear interest at 6 per cent during this period.

On December 28 there was an informal meeting of 30 debenture holders, who hold a large amount of debentures, to talk over this plan, and it is reported that after a comprehensive discussion of the affairs of the company, these recommendations were received favorably. J. A. Caulder, president, made the following statement to debenture holders present at the meeting:

Full Financing Prevented

"As you know, Dairy Corporation was organized in June, 1929. It will be remembered that the depression started in the fall of 1929, so that the corporation did not have time to get well under way and have its financing properly taken care of before the selling of securities became very difficult. $500,000 of the debentures were sold in the fall of 1930 without any apparent difficulty. Another $500,000 of debentures were underwritten at the end of that year. Before the sale of this latter block of debentures, however, was completed, it became impossible to market securities of this kind. Consequently, $205,000 of debentures remained unsold. The directors accordingly felt that it was in the interests of all concerned that the underwriting agreement with respect to these unsold debentures be cancelled. The underwriters then agreed to turn back to the company the ten year option on 5,000 shares Class "A" stock at $25 a share which they had received at the time of underwriting the first block of debentures.

"It will be noted from the annual reports for 1930 and 1931 that Dairy Corp. of Canada made very satisfactory progress and demonstrated its ability to stand up under the depression, as we knew it at that time. The earnings after depreciation were running between three and four times debenture interest. During the past year, however, conditions have become much worse, and, in addition to the general decrease in business, we have had other factors to face which seriously affected the net return.

Making Milk a Utility

"During 1931 a condition developed in Winnipeg which became serious owing to the chain stores getting into the milk business and using milk as a leader. The condition grew rapidly worse in the early part of 1932 and continued to get worse until September 12, 1932, when by legislation, the Province of Manitoba declared that the milk business of the City of Winnipeg and district was a utility. Since that date conditions have improved in Winnipeg, and we trust the worst is over. In the meantime, however, this milk war in Winnipeg has cost our company there at least $75,000.

Taxes Become Heavier

"In the early part of 1932 the Provincial Legislatures and the Federal Government enacted new tax regulations which have cost our companies something in excess of $80,000 this year. The most important new tax was the 6 per cent sales tax on ice cream which we could not pass on to our customers and which is costing us now, roughly, $50,000 per year. The gas tax was increased 1c in all provinces. Sales tax on all supplies purchased was increased from 4 per cent to 6 per cent and, in some cases, from nothing to 6 per cent. In addition to this, we had the additional stamp taxes, new provincial corporation taxes or provincial income tax, and, in nearly all cases, increased property taxes.

Butter and Ice Cream Hit

"Early in 1932, as a result of England going off the gold standard and on account of competition with Australia and New Zealand where their currencies were depreciated far below even the London value of the pound sterling, the butter market slipped seriously and our companies encountered severe losses on inventories which, on December 31 last, were priced at the then current market valuation.

"With all of the above adverse conditions to contend with, earnings in 1932 would not have declined so much had it not been for the cool weather conditions which particularly affected our Montreal ice cream business. I should point out that we had more ice cream customers in Montreal during the past summer than we had the previous year, and I think we might have approached last year's results if the weather had not been so cool.

Reducing Expenses Drastically

"In order to meet these very adverse conditions, we have done everything possible during the past year to reduce expenses. In the early part of 1932 a definite objective was set whereby operating expenses would be reduced $150,000. In the first eleven months we have already passed that objective, and we are now setting as our objective a further reduction of $150,000 in 1933 over 1932. Our managers are co-operating with us everywhere to reduce expenses, and we believe that in 1933 with reasonable weather conditions and providing general business does not become worse than it now is, we should be able to make a reasonably satisfactory showing.

Must Restore Working Capital

"It will be seen that our difficulties are partly due to the conditions through which we are passing and partly due to inability to carry through our financing programme. Some of the difficulties due to the depression have been met by reduced expenses, others will clear up themselves in due course. The lack of working capital can only be met by increased earnings or by bringing new capital into the business. Some negotiations, however, have not matured owing to the fact that conditions throughout the world are so uncertain."

Henry Wise Wood Turns Philosopher at 73

From Our Own Correspondent

LETHBRIDGE.—"Great accumulated wealth was never so insecure as it is today. In the long view of the present crisis the holders of such wealth may lose even more seriously and in greater proportion than the farmers are losing today."

This was the statement of Henry Wise Wood, "grand old man" of the farm movement in Alberta and president of the Alberta Wheat Pool, in a year-end interview.

The veteran 73-year-old father of the U. F. A., for years its prophet, seer and guiding hand, said in his message, there is no direct political panacea for the existing economic ills of Canada. Of the new Co-operative Commonwealth Federation, which is making headway in the farmers' ranks and and which threatens to become a crucial battle point at the U. F. A. convention in January, the aged farm leader was not altogether pronounced.

Socialism Superficial

He spoke in general terms but added: "Superficially, there is something perhaps to be said for a Socialist programme, but the solution of the present trouble lies far deeper than in such political action."

It is "unofficially" rumored in farm circles that the man replaced by Robert Gardiner, M.P., as head of the U. F. A., is not altogether friendly to the new turn of things politically in the farmers' ranks and that he has grave concern over what the C. C. F. might do to the movement. In his interview, Mr. Wood said that no one country can do much; time and nature alone will work a complete cure yet man must help in improving the instruments of distribution. "We have reached the testing time in our civilization and I am afraid man will have to go through much more suffering before he learns that a good gift, that is production, is being employed wrongly."

Unfortunate Position

Mr. Wood—he is Dr. Wood now and is writing a book in which will go his philosophy of life and his economic credo—says the depreciation of the Canadian dollar to somewhere closer to the pound sterling, would help temporarily in the present wheat situation. As for the wheat position, he said Canada is in an unfortunate predicament.

She does not possess the fine balance of commodity production as Australia with its large wool growing industry for export. Neither can it, in times of stress, compete with Australia which grows its wheat under a peonage system. Moreover, Canada has long distance hauls to the seaboard. With lessened demand from a Europe intent on developing its own peasant agricultural resources behind tariff walls, Canada suffers most. Mr. Wood believes curtailment of production the world over would be helpful but this seems improbable of realization at this time. The famous cooperator says this step requires a degree of co-operation that neither the world nor the individual has yet achieved.

None too cheering as he looks upon the troubled world, the aged farm leader says: "There is too much short-circuiting in the world today. Each person and each group proclaim their own short-cut to recovery. None of them are of much use alone and each of them short-circuits the other. There exists no immediate remedy for our economic troubles. I can see no special political solution since the faults lie in the human element itself. We must first, I believe, through suffering become more civilized before the world can be reconstructed."

Directory of Directors Draws Wide Attention

Various newspapers have commented on the number of directorates with which prominent Canadians are identified, as shown by the new issue of The Financial Post Directory of Canadian Directors and Officials for 1933. The Financial Post's record does not distinguish between holding companies and subsidiary companies as any one consulting the Directory of Directors could work this out for himself as the names of all the companies are shown in each individual case.

Yet in newspaper comments the distinction has importance. For instance, Sir John Aird is shown as being on 12 directorates. But that number also included the directorates of subsidiary companies. As director of Brazilian Traction, Light and Power Co. he was also director of Rio de Janeiro Tramway, Light and Power Co., Sao Paulo Tramway, Light and Power Co., and the last two directorates would make no further call upon his time than being on Brazilian Traction Board alone.

This is the case of many others mentioned as well. For example, L. R. Wilson, as vice-president and managing director of Abitibi Power & Paper Co., is also interested in the management of and on the board of many other companies which are subsidiaries of Abitibi Power and Paper Co. or affiliated with it. This is also true of W. H. Smith, assistant managing director of Abitibi Power & Paper Co. His duties with that company made it necessary for him to be represented on the boards and in the management of the many subsidiaries.

Copper Exports Rise

The export of copper in November totalled 281,147 cwt. valued at $1,504,250 and of that 230,596 cwt. at $1,223,312 went to the United Kingdom. Although the export of copper in the last twelve months exceeded that of the previous twelve months the value was not so great, the former being 1,674,721 cwt. at $11,711,403 and the latter 1,661,838 at $14,995,895.

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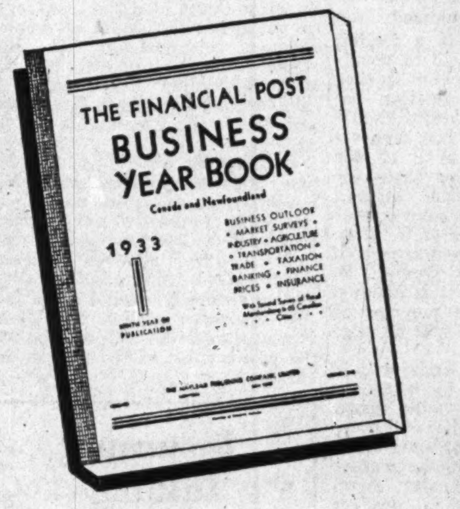

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701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

Bank Chat

J. E. LEDUC, branch manager successively in Ontario and Quebec since 1908, has been appointed superintendent of the Provincial Bank of Canada.

Bank of Montreal Opens New Offices at Gladstone

The Bank of Montreal opened its new offices at Gladstone, Man., recently. A social gathering, including visits from prominent Gladstone citizens and public officials, was the feature of the event. W. M. Colchester, manager, and his staff were on hand to welcome the visitors.

Col. J N. Semmens, consulting architect, and R. M. Wyatt, contractor, both of Winnipeg, were responsible for the construction of the new building.

Patenaude Joins Board Administration Trust

From Our Own Correspondent

MONTREAL.—Hon. E. L. Patenaude has been appointed a member of the board of directors of the Administration and Trust Co. in place of the Hon. Narcisse Perodeau deceased. Mr. Patenaude is associated with a number of business and financial enterprises in Montreal, as well as being prominent in political circles.

1847 — 1932
CANADA LIFE

EIGHTY-FIFTH ANNIVERSARY

AUTOMOBILE · ACCIDENT · SICKNESS · BURGLARY · GUARANTEE · FIRE · MARINE
BRITISH AMERICA ASSURANCE COMPANY
ESTABLISHED A.D. 1833

ROYAL BANK OF SCOTLAND
(Incorporated by Royal Charter, 1727)
Capital (fully paid) £ 3,780,192
Reserve Fund ..... £ 3,780,926
Deposits £55,898,683
General Manager
Sir Alexander K. Wright, K.B.E., D.L., LL.D.
TRADE WITH GREAT BRITAIN
The ramifications of the Bank throughout Great Britain and the entire World enable it to handle every description of British, Colonial and Foreign Banking business.
LONDON—*City Office:*
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EDINBURGH
250 BRANCHES IN ALL
Associated Bank:
Williams Deacon's Bank Ltd.
(Members of the London Bankers' Clearing House)

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $250,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
HEAD OFFICE FOR CANADA HAMILTON ONTARIO
BRANCH OFFICES
Toronto
Ottawa
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Victoria
Edmonton
Calgary
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Quebec City
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Halifax
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $4,616,449.70
ALL POLICIES NON-ASSESSABLE, PAYING DIVIDENDS RANGING FROM 20% TO 30%

Insurance for Buyer and Seller

AIM TO PLACE QUEBEC ON PAR WITH ONTARIO

Auto Insurance Rates Increase Induces Criticism

LEAGUE HAS PLAN

Justification for Higher Rates Claimed by Automobile Club Official

From Our Own Correspondent

MONTREAL.—Following an increase of 10 per cent in tariff companies' auto insurance rates for public liability and property damage in Quebec motorist associations are redoubling their efforts to secure some legislative action which will place the province in line with Ontario as far as auto insurance is concerned.

The Montreal Motorists' League is promoting a plan of compulsory financial responsibility which it will place before the provincial legislature this winter. The League has previously sought to have a plan adopted similar to the one in Ontario but so far its efforts have been unavailing. The proposal, broadly speaking, would compel any driver who has been held responsible for an accident to take out insurance or otherwise give proof of financial responsibility, or surrender his license.

Officials Express Surprise

Officials of the Province of Quebec Safety League have expressed surprise that tariff companies have raised their rates when Ontario has just introduced a 10 per cent bonus in insurance for good drivers. For some years past the league has been trying to form a semi-mutual insurance system whereby safe drivers would reap the reward of their own carefulness and not be asked to pay the same premiums as unsafe and unskilled drivers. The scheme has not met with success but additional efforts will now be put forward to organize some movement along these lines.

Says Rates Justified

Justification of increased rates has been put forward by officials of the Quebec Automobile Club. According to information from this source Quebec not only has proportionately more automobile accidents annually, but amounts of insurance claims both for public liability and property damage are considerably higher in Quebec than in Ontario.

Motorists in Quebec need feel no surprise if underwriters, while treating Ontario favorably, increase automobile insurance rates in the province is the claim of J. E. Renaud, secretary of the Quebec Automobile Club. He states that the average number of claims for damage per 1,000 motor cars involved in accidents last year was 54.7 for Quebec compared with 29.32 for Ontario.

Again he points out that public liability claim rates were on an average of $310 for Quebec against $229 in Ontario. Property damage claims averaged $51.17 in Quebec compared with $38.73 in Ontario.

Good Driver Penalized

Despite this, there is a feeling that increased rates tend to penalize the good driver and that Quebec should have some distinction between the poor and careful chauffeur. In Ontario this has been effected by innovation of a 10 per cent bonus in insurance rates for certain classes of drivers. Insured drivers in Ontario who have a clear record as far as claims or O. R. A. infractions are concerned are given a 10 per cent discount from P. D. and P. L. premiums. It is claimed that between 85 and 90 per cent of all automobile drivers will be eligible for this discount.

There is a movement under way in Quebec which aims to introduce something similar in auto insurance rates, through what is known as the Courteous Chauffeurs' Club, a branch of the Quebec Safety League. The club comprises members who are pledged to observe certain rules and regulations of the road, and officials claim that its members, as a body, would constitute a select risk for any insurance company. Officials are studying ways and means of organizing some group insurance for this body, which would constitute a step in the direction which Ontario has officially taken.

Increase is Nullified

In considering the 10 per cent bonus for careful drivers in Ontario it should be remembered that rates for public liability there have been boosted 15 per cent but property damage was lowered by 15 per cent. For instance, in Toronto, Hamilton and Windsor, or what is known as district "A," old rates for P. L. and P. D. totalled $26 for a Ford car. Under the new rates total cost would be unchanged, the reduction offsetting the increase, while the 10 per cent bonus pulls the net cost down to $23.40.

Chinese War Damage is Insurance Puzzle

Clashes between Japanese and Chinese troops in Manchuria and at Shanghai in 1932 created something of a record in at least two respects.

First, war was not officially declared, although at times there was a good deal of fighting and consequent loss of life and property damage. Second, it has not been definitely established that property owners who were insured against damage from wars, chiefly in Shanghai, can collect claims from insurers.

It is understood that at least one United States insurance company may refuse to pay such claims unless the war is declared to have occurred officially. This is a pretty problem for the insurance adjustor.

COURT UPHOLDS WIFE'S RIGHTS TO INSURANCE

Quebec Judge Rules on Validity of Provincial Act

From Our Own Correspondent

MONTREAL.—Validity of the Quebec Act respecting life insurance by husbands and parents is upheld by the Supreme Court of Canada, Mr. Justice Mercier ruling that a transfer of a wife's rights in insurance policies on the life of her husband is illegal.

This decision came about as a result of an action brought by the Banque Canadienne Nationale against the Aetna Life Insurance Co., of Hartford, and Mrs. Joseph E. Poulin. The bank sued the life insurance company for the cash surrender value of four policies amounting to $4,000 pledged by Mr. Poulin.

Bank Has Rights

While maintaining the wife's rights in the policies, the court also says that the bank does not lose all its rights in the policies pledged. If Mrs. Poulin dies before her husband, the $4,000 represented by the policies will go to the bank; but if Mr. Poulin should die first, the entire sum will go to Mrs. Poulin.

Poulin pledged the policies with the old Bank of Hochelaga, which was later absorbed by the Banque Canadienne Nationale. When he did not pay the obligation due to the bank, the latter requested the life insurance company to forward $1,762, representing the cash surrender value of the four policies of $1.000 each. When Mrs. Poulin contested the bank's rights to secure the cash surrender value and challenged the validity of the transfer to the bank, the insurance company refused to pay. The bank then sued to recover the $1,762. The insurance company merely submitted to justice, but Mrs. Poulin contested the action, declaring the transfer illegal, partly because she had received no consideration for it.

In another action she sought to have her rights safeguarded. The Superior Court held the transfer to be valid, but the Court of Appeals reversed this decision. The Supreme Court of Canada, however, without holding the transfer invalid, declared that both Mrs. Poulin and the bank had rights in the policies.

In adopting his ruling, Mr. Justice Mercier declared that Mrs. Poulin's eventual rights in the policies were recognized, existing until the death of her husband. So long as Mr. Poulin is alive the bank cannot exercise its rights in the policies and, accordingly, cannot claim from the insurance company. If Mr. Pouln should die before his wife, the whole value of the policies will be hers.

Insurance Inklings

NORMAN B. DOUGLAS, formerly with the General Motors Acceptance Corp., has rejoined the Northwestern Mutual Fire Association as a representative in Manitoba. Mr. Douglas is widely known in Canada through his activities as Dominion secretary of the Retail Merchants' Association. He represented the Northwestern Mutual previously before joining the Retail Merchants' Association.

W. R. HITCHINS, actuary of the Mutual Relief Life Insurance Co., has also been appointed an assistant general manager of the company.

W. T. FORTYE, formerly secretary-treasurer of the Mutual Relief Insurance Co., has been appointed an assistant general manager and secretary of the company.

W. P. BLACK, formerly chief clerk of the agency department of the Mutual Relief Life Insurance Co., has been appointed superintendent of agencies for the company.

ALAN G. GILL, was recently elected president of the Ottawa Fire Insurance Agents' Association.

LEONARD WEIGHTMAN, has been appointed assistant casualty manager for the Phoenix, London, group in Canada. Mr. Weightman formerly handled the Canadian affairs of the company from London and spent some months in 1931 actually visiting general agents here.

DONALD TAYLOR, formerly chief accountant for the London Guarantee and Accident Co., has been appointed casualty secretary in Canada for the Phoenix, London, group of which that company is a member. Mr. Taylor has been with the London Guarantee since 1918.

Life Insurance Week Set for April 17-22

Life insurance companies of Canada and the United States have designated the week of April 17-22, 1933, as "Life Insurance Week." In Canada this period will be called "Financial Independence Through Life Insurance—April 17-22, 1933," and will be observed with an educational campaign in keeping with this title.

The Life Agency Officers' Association of Canada are taking part in preparations for the special week. C. D. Devlin, general superintendent of agencies for the Confederation Life Association has been chosen chairman for the Canadian Life Insurance Week Committee.

OBLIGATORY PLAN SOCIAL INSURANCE HELD BENEFICIAL

Quebec Commission Deals Fully With Sickness Insurance

From Our Own Correspondent

MONTREAL. — An obligatory plan of sickness insurance is held to be beneficial in the opinion of the Province of Quebec Royal Commission on Social Insurance. Provision for the enforcement of sickness and disability insurance, says the commission's report, should be gradually systematized and, preferably resource should be had to the subsidized optional régime before the obligatory system, seeing that the optional system will be easy to apply since mutual benefit insurance societies already exist and it would be sufficient to make use of them.

Another major conclusion arrived at by the commission is that a law should be passed, if it is not enough to modify the law concerning mutual benefit societies, with a view to authorizing the formation of societies, such as the National Society of Hospital Treatment, which would accept contributions from employers and workers and receive a grant from the state, the amount to be determined according to the character of the society, rural or urban.

Use Mutual Societies

The mutual benefit societies now in existence, it is pointed out, might institute a service including only payment in kind, while continuing money payments to the members who wished to receive them. It will be objected that a law is not necessary in order to attain this end since the present legislation allows societies of this kind to develop, but the commission is convinced that it would be well to give prominence to this kind of institution by means of an appropriate system instituted by the legislature.

This régime, it is claimed, could be developed by careful publicity and would little by little accustom the people to the idea of sickness insurance; it would ease the burden on public charity and have valuable results on the general health. In all these cases it would constitute an experiment which without any doubt should be given a trial, the results of which could be carefully studied.

Time to Decide

From this experience, it is believed, the public authorities would be able to decide after an interval of five years whether it is advisable to institute obligatory insurance taking into consideration at the same time the principles and data which the commission has assembled in its report.

The commission then proceeds to enumerate the advantages of, and objections to, an obligatory system of insurance as gathered from the evidence of various persons. The first objection to inaugurating a régime of social insurance at the present time, it is pointed out, is the natural result of the present depression, for the deflation has had a decided influence on the public finances as well as on individuals.

Cost of Service

Revenue from taxes is less and new taxes even must be found to meet the deficit. But expenses themselves have increased, the commission argued, as a result of social measures which have grown lately to an enormous extent. For the whole of Canada, it is calculated, that in 1931 the expenditure on social service in general had reached the total of one hundred million dollars. It is not unreasonable therefore, the commission concluded, that some claim it would be difficult, if not impossible, to increase at the present time the burden which the state has usually assumed in the past.

But, the report continued, the objection arises still more from the fact that all foreign governments have been forced by the depression to reduce their expenditure on social service, especially with reference to charity and insurance. In England and Germany it has been necessary to modify the fundamental principles on which for years social insurance was based, in such a way as to continue the payment of indemnities while taking into consideration the decrease in revenue brought about by unemployment.

Problems to be Faced

The second objection offered by the commission is that it would be almost impossible and in any case extremely complicated, to establish at one and the same time in the Province of Quebec all clases of social insurance to take at one time all the measures mentioned by the order-in-council which set up the commission.

However, in spite of these objections, obligatory insurance is beneficial since in most European countries it has been adopted after a long trial of optional system subsidized, the commission asserted.

Would Alleviate Burden

Believing that obligatory sickness insurance would result in an alleviation of the burden of public charity and would offer the further advantage of allowing the people to retain their self-confidence, the report has it:

"We may indicate a further reason as far as our province is concerned, in the fact that sooner or later we shall have to admit that medical and hospital treatment have become more and more common through the activities of public charity, the cost of which is already a heavy burden. Insurance in all its forms, and especially obligatory sickness insurance, would result in an alleviation of the burden of public charity and would offer the further advantage of allowing our people to retain their self-confidence and their spirit of initiative, that efficient urge which has been in the past one of the most interesting characteristics and which is in danger of yielding before the forces of nationalization.

"This is especially true since, according to data which the commission has collected during the inquiry, the people of this province are now spending enormous sums in the form of weekly or monthly insurance premiums which are all too often a complete loss, total of which would easily suffice to make obligatory insurance effective."

Current Events in Banking World

CANADIAN BANKS' FEDERAL CONTROL EXAMPLE TO U. S.

Monthly Statements of Canadian Type Advocated

Great interest in the Canadian banking system is being taken in the United States, and in many quarters a similar system of branch banking is being advocated for that country. In this connection the unblemished failure record of the Canadian banks in the present period of economic stress has been cited many times.

President Hoover has held the Canadian system up to the United States Congress as an example to be envied by the United States with its large failure record. Thomas W. Lamont, of J. P. Morgan & Co., has pointed out the conflict of state and federal control of banking in the United States, and has cited the Canadian system as an enviable example of central governmental control.

Unit Bankers Opposed

Many unit bankers of the United States are strongly opposed to any interference with their individual rights to operate independent institutions such as they believe branch banking systems, such as Canada's would involve. The American Banker, published in New York, has voiced such opinions consistently during the present argument. However, this paper pays striking tribute to Canadian banking control in a recent editorial, as follows:

"In June, 1931, we advocated more detailed bank statements as 'a simple way to get more safe banks.'

"We are surer than ever today that the policy of adopting or requiring more detailed bank statements is the simplest and surest way of getting more safe banks in the United States.

"We know that, even with branch banking, which our big-business friends would persuade us is automatically an assurance of better banking, Canadian legislators have considered it wise, and British bankers have considered it necessary to publish statements in such fullness that no branch banker could dare the abuses possible under the euphemisms of our 'condensed statement.'

Examination Not Sufficient

"It was the policy in the United States, until we substituted the hopeful theory of banking safety by examination, to require banking statements in much greater detail than those which are demanded today. Canadian and British customs continue public surveillance by monthly or periodical statements, that reflect very closely the details required in the United States 75 years ago.

"Consider the list of details which the Canadian banker is required to publish monthly.

"We would say that any American bank unit or branch which could publish its statement in as much pertinent detail, would be able to win and hold public favor. The monthly statement form of the Canadian banks to the minister of finance is as follows: (Note that liabilities come first.)

Liabilities

Notes in circulation.
Balances due to Dominion Government.
Advances under Finance Act.
Balances due to Provincial Governments.
Demand deposits in Canada.
Savings deposits in Canada.
Deposits elsewhere.
Balances due to other banks in Canada.
Due banks in United Kingdom.
Due banks elsewhere.
Bills payable.
Letters of credit outstanding.
Other liabilities.
Dividends declared and unpaid.
Reserve fund.
Capital paid-up.
Capital authorized.
Capital subscribed.
Last dividend %.

Assets

Current gold and subsidiary coin.
Dominion notes.
Notes of other banks.
U. S. notes and other foreign currencies.
Cheques on other banks.
Balances due from other banks in Canada.
Due from banks in United Kingdom.
Due from banks elsewhere.
Government securities.
Canadian municipal, British and foreign securities.
Railway and other bonds and stocks.
Call loans in Canada.
Call loans elsewhere.
Other current loans in Canada.
Other current loans elsewhere.
Loans to Provincial Governments.
Loans to Municipalities.
Non-current loans.*
Real estate other than premises.*
Mortgages on real estate.
Bank premises.
Letters of Credit.
Deposit for note circulation.
In central gold reserve.
Shares and loans to controlled companies.
Other assets.
Total assets.
Loans to directors and firms of which they are partners.
Average gold and coin held.
Average Dominion notes held.
Greatest amount of notes in circulation.

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*Very minor items.

Government Supervision

"Thus has the Canadian Government required publication of more detailed statements as a constant assurance that the Canadian bankers will not overload themselves with illiquid or unsound affiliated investments or otherwise abuse the colossal power which they have under the Dominion Banking Act, which also incidentally makes them preferred creditors of their borrowers.

"The dependence upon publicity rather than upon examiners' supervision for the control of the Canadian banking system, is interesting. It permits the inference that the real reason for going directly to the public with your statement details at the earliest possible occasion, may be that our public has lost confidence in the safety by governmental examination, and on which we have tried to pin our faith in this country."

BANK DEBITS ROSE 1% IN NOVEMBER

Large Increases in Toronto, Ottawa and Ontario Debits

Debits against demand and notice deposit accounts at the branch banks of the clearing centres of Canada, were $2,166,300,000 in November compared with $2,367,000,000 in the preceding month, a gain of one per cent after seasonal adjustment.

The total for Ontario was $1,158,000,000 compared with $927,400,000, the gain after seasonal adjustment being 18.5 per cent. The seasonally adjusted gain in Toronto was 22.1 per cent, the total being $823,400 compared with $707,200,000. Debits in Ottawa were $203,000,000 compared with $89,500,000 in October.

The gain in Quebec was slightly less than normal for the season, contrasting with the more appreciable increase in Montreal, where the total in November was $654,000,000 compared with $631,000,000 in October. The decline in the Maritime provinces after seasonal adjustment was 4 per cent.

Debits in the Prairie Provinces were $435,300,000 compared with $579,700,000 in the preceding month. Decreases were shown in Vancouver and New Westminster, a gain being recorded in Victoria. The result was that the adjusted total for British Columbia showed a decline of 3.8 per cent.

Debits for leading cities are shown in the following table:

Bank Debits to Individual Accounts

	Nov., 1932	Nov., 1931
Halifax	21,128,316	32,128,491
Moncton	6,039,614	7,485,289
Saint John	13,455,878	21,365,197
Total, Maritimes	40,623,808	60,978,977
Montreal	654,103,260	734,538,128
Quebec	49,929,037	58,497,071
Sherbrooke	5,697,625	6,810,829
Total, Quebec ..	709,729,922	799,846,028
Brantford	6,894,705	8,722,595
Chatham	6,803,450	7,306,903
Fort William ...	5,600,172	5,731,532
Hamilton	43,401,711	50,254,135
Kingston	4,292,442	6,201,152
Kitchener	8,550,215	9,408,783
London	24,945,294	28,857,890
Ottawa	203,122,656	219,806,714
Peterborough ..	4,258,662	6,178,269
Sarnia	6,597,118	11,188,666
Sudbury	3,300,077	4,512,414
Toronto	823,435,440	755,077,187
Windsor	17,288,448	20,515,676
Total, Ontario ..	1,158,490,390	1,133,761,916
Brandon	2,789,141	3,625,244
Calgary	48,572,444	65,533,440
Edmonton	26,759,594	39,838,434
Lethbridge	3,484,499	4,176,278
Medicine Hat ...	2,047,423	2,560,668
Moose Jaw	5,236,295	7,352,049
Prince Albert ...	1,763,506	2,487,911
Regina	34,077,329	44,603,125
Saskatoon	9,799,883	13,451,433
Winnipeg	300,753,983	502,957,515
Total, Prairies ..	435,284,097	686,586,092
N. Westminster.	3,649,974	5,074,234
Vancouver	97,937,915	116,290,712
Victoria	20,598,132	39,294,868
Total, B. C.	122,186,021	160,659,814
Total for Canada	2,466,314,238	2,841,832,827

Weekly Bank Clearings

Eastern Cities

	Dec. 31, 1931	Dec. 29, 1932
Halifax	$ 2,118,940	$ 1,561,123
Saint John	1,584,155	1,158,705
Moncton	676,079	653,681
Sherbrooke	503,117	439,819
Quebec	4,152,031	3,519,253
Ottawa	4,982,564	3,199,695
Montreal	69,063,386	55,574,905
Kingston	532,147	447,466
Peterborough	545,261	538,289
Toronto	62,371,754	60,382,206
Hamilton	3,530,588	3,059,348
Kitchener	726,910	736,391
Brantford	789,186	574,282
London	1,964,988	1,704,092
Windsor	2,063,177	1,968,458
Chatham	464,296	413,675
Sarnia	353,638	301,570
Sudbury	512,204	420,043

Western Cities

	Dec. 31, 1931	Dec. 29, 1932
Fort William	524,515	417,094
Winnipeg	28,850,654	27,801,654
Brandon	327,491	266,956
Moose Jaw	521,892	420,764
Saskatoon	1,299,568	1,140,096
Prince Albert	311,173	202,715
Edmonton	3,486,954	3,073,147
Calgary	4,133,904	4,110,525
Regina	3,522,452	2,091,969
Medicine Hat	178,824	157,221
Lethbridge	438,478	424,233
New eWstminster ..	438,478	424,233
Vancouver	12,173,481	9,748,401
Victoria	1,184,778	1,067,253

Monthly Bank Clearings

Eastern Cities

	Dec., 1931	Dec., 1932
Halifax	$ 12,306,066	$ 8,714,121
Saint John	9,244,148	6,436,494
Moncton	3,667,655	3,128,055
Sherbrooke	2,960,024	1,340,583
Quebec	22,462,711	17,076,564
Ottawa	28,678,556	17,048,891
Montreal	455,021,112	313,595,404
Kingston	3,185,263	2,284,521
Peterboro'	3,348,235	2,692,858
Toronto	386,969,465	347,068,056
Hamilton	20,008,220	15,500,908
Kitchener	4,654,061	3,800,109
Brantford	4,340,640	3,390,241
London	12,873,240	9,898,568
Chatham	2,826,795	2,327,656
Windsor	12,240,065	9,365,763
Sarnia	2,302,786	1,706,854
Sudbury	2,895,193	1,938,907

Western Cities

	Dec., 1931	Dec., 1932
Fort William	$ 3,114,877	$ 2,363,378
Winnipeg	194,067,819	....
Brandon	2,047,969	1,343,863
Moose Jaw	3,048,649	2,336,055
Regina	21,515,120	12,728,773
Saskatoon	7,928,394	5,803,505
Prince Albert ...	1,731,694	1,087,689
Edmonton	22,957,601	16,122,458
Calgary	26,497,814	21,973,758
Medicine Hat ...	1,130,213	808,540
Lethbridge	1,878,271	1,595,528
New Westminster	2,438,353	1,852,111
Vancouver	84,503,892	81,969,260
Victoria	7,446,179	5,298,109

Yearly Bank Clearings

Eastern Cities

	1931 $	1932 $
Toronto	5,134,895,419	4,071,710,500
Montreal	5,773,473,678	3,971,576,104
Halifax	150,986,615	114,384,527
Saint John ...	115,490,903	85,985,057
Moncton	38,911,582	35,640,759
Sherbrooke ..	37,092,630	29,246,459
Quebec	385,294,714	210,821,680
Ottawa	323,349,845	227,999,793
Kingston	35,357,257	28,834,227
Peterboro'	38,026,819	30,253,664
Hamilton	247,414,617	190,818,400
Kitchener	52,182,195	43,540,005
Brantford	48,891,417	39,446,368
Windsor	150,917,805	117,006,345
Chatham	27,388,592	22,190,250
Sarnia	25,489,715	19,670,808
Sudbury	36,139,007	24,215,334

Western Cities

	1931 $	1932 $
Winnipeg	2,253,265,522	1,974,922,067
Brandon	21,015,599	17,459,229
Regina	192,876,885	176,459,737
Saskatoon	89,784,777	73,353,023
Pr. Albert ...	19,749,381	14,143,193
Edmonton	237,843,012	194,356,935
Calgary	319,987,617	258,257,381
Medicine Hat..	12,319,717	9,648,413
Lethbridge ...	20,747,000	17,287,281
Vancouver ...	796,227,626	637,132,962
Victoria	96,261,892	70,673,038

Foreign Exchange

FOREIGN EXCHANGE
New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
Dec. 27 ...	14	13 1-8	22 3-8	22 1-4
Dec. 28 ...	13 1-4	12 1-2	23 3-4	22 3-8
Dec. 29 ...	14 1-8	13 1-4	23 3-4	23
Dec. 30 ...	14 1-16	13 1-4	23 1-8	21 1-4
Dec. 31 ...	13 1-4	12 3-4	21	17
Jan. 2 ...	.....	.....	20	18

STERLING, FRANCS AND LIRE
Close Demand in New York

	Sterling	Francs	Lire
Dec. 27	3.33 1-4	3.90 1-4	5.11 1-2
Dec. 28	3.32 7-8	3.90 1-4	5.11 1-2
Dec. 29	3.31 3-8	3.90	5.11 3-4
Dec. 30	3.30 3-8	3.90 1-4	5.11 1-2
Dec. 31	3.32 7-8	3.90 1-4	5.11 1-2
Jan. 2	....	....	....

Close Demand in Toronto

Par		Dec. 19	Dec. 24	Dec. 31
5.26	Italian	5.87	5.63⅜	5.78
23.80	German	27.28	27.14	26.91½
13.90	Belgian	15.86	15.76	15.62
49.80	Japanese	24.36	24.51	23.73

What is Your Answer?

WOULD you make a contract with your business partner whereby following his death your income from the business would be reduced 85%?

Obviously you would not.

But isn't it true that you now have that agreement with your partner at home—your wife and children?

In other words, assuming that 85% of your income is earning power, and 15% of your income is from investments, is not your financial plan at home exactly the same as under such an agreement with your business partner?

Your wife must carry on the business at home and assume your responsibilities with a very small income. Does not your family need more life insurance indemnity against the inevitable destruction of your earning power?

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SAVINGS AND LOAN CO-OPS FOR N. S.

Recent Act Results in Formation of Three Societies in Cape Breton

Three co-operative savings and loan societies have been formed in Nova Scotia as a result of the act authorizing such organizations passed at the last session of the provincial legislature. The societies are all located on Cape Breton Island at Broad Cove, Inverness and Reserve Mines.

The act provides that "any seven or more residents of Nova Scotia may by subscribing their names to a memorandum of association and otherwise complying with requirements of this Act, in respect to registration, form a Credit Union."

According to the Act a credit union means a co-operative credit society for promoting thrift among its members and creating a source of credit for its members "for provident or productive purposes" at legitimate interest rates. Under the terms of this legislation credit unions may be organized with these privileges and objects:

(a) To receive the savings of its members either as payment on shares or as deposits.

(b) To make loans to members exclusively for provident or productive purposes.

(c) To make loans to a co-operative society or other organization having membership in the credit union.

(d) To deposit in chartered banks in Canada and, to any extent which shall not exceed twenty-five per cent of its capital, invest in the paid up shares of building and loan associations and of other credit unions.

(e) To invest in any legal investments authorized by law for trust funds in the Province of Nova Scotia.

(f) To borrow money as hereinafter indicated.

(g) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, and other negotiable or transferable instruments.

(h) To do all such other acts and things as are incidental or conducive to or consequential upon the attainment of the above objects.

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"A Central Bank for Canada"

An opportunity for every good citizen to inform himself on one of the vital issues of today

IS CANADA'S banking system antiquated and does it need to be revitalized by a central bank? Or is Canada's wonderful record of no bank failures in this, the greatest depression in history, proof that we do not need any such radical change in our banking system?

This is one of the big questions of the hour in Canada. Fiercely is it being debated in and out of Parliament. Most of the debate is carried on by those who have no adequate conception of their subject.

Recently The Financial Post published a series of articles on "A Central Bank for Canada" that made clear all the essential facts about central banking, and its possible application in Canada. It was a simple statement of the pro's and con's written for the average business man reader.

These articles were written by a recognized student of the problem, A. F. W. Plumptre, lecturer in money at the University of Toronto.

These articles have now been published in a small paper-covered book. Copies may be obtained at the nominal cost of each **25c**

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Grain and Milling in Canada

This Week in Wheat

Wheat Shipments Tend to Decline

But Canada Holds Half of Total

Talk of Trading in Vancouver

From Our Own Correspondent

Week's Shipments Dwindle in World

WINNIPEG.—Last week's world shipments of wheat declined to less than 10,000,000 bushels, partly no doubt a reflection of holiday conditions. North America supplied nearly 5,000,000 bushels, nearly all from Canada. The small total was somewhat surprising, but was considered, both at Liverpool and elsewhere, as reflecting a disinclination on the part of both Australia and Argentine to push sales unduly at present levels. Quantities afloat increased slightly, but not as much as is usual at this time of the year, due to the longer passage time required for supplies from the southern hemisphere.

Disappearance of December wheat from the board was marked by no market disturbance, indicating, as had also the small deliveries made during the month, that hedges had been transferred to May and July well in advance.

Some slight increase in commercial and possibly also in speculative buying appears to have taken place lately, and the market has been able to maintain some degree of firmness without any increase being noted in government support. Cash prices closed on Tuesday with No. 1 Northern two and a quarter cents below the May option, representing but a small carrying charge after the cost of interest is taken care of. There appears to be a feeling that the cash may overtake the future well in advance of the delivery month, as supplies of wheat in the east are not heavy and may be considerably depleted before the opening of navigation, suggesting the possibility of a fairly heavy movement down the lakes as soon as shipment is possible.

* * *

Hedging Market for Vancouver

THE fact that Vancouver during the past calendar year surpast all previous records for grain shipments, with a total of 106,000,000 bushels, and looks forward to an even bigger business next year, has revised talk of the possibility of operating a futures market for hedging purposes there. Preparations for such a development were made several years ago, but it was found that there was insufficient trading support to make it then practicable.

There is also a suggestion that the basis of trading on the Winnipeg market might be revised to provide for an alternative delivery at Vancouver, instead of only at Fort William or Port Arthur. The present slim extent of outside trading in wheat, which resulted in the Dominion Government making extensive commitments in the futures markets, would preclude any immediate developments, and there is recalled the recent unsuccessful attempt of the New York Produce Exchange to establish a market for dealing in the futures on the basis of Canadian wheat in store at Buffalo.

The wheat merchant at Vancouver is handicapped to ome extent by the fact that he has to conduct hedging operations on the Winnipeg market, and Winnipeg prices, while usually the approximate equivalent of those at Vancouver, are probably never exactly the same, and each market is alternately above or below the other by several cents a bushel. The difficulty is overcome at the present time by a system of trading in indvidual contracts between exporters and terminal elevator companies, by which deliveries of different grades in specified months in the future are guaranteed on the basis of set spreads in relation to the Winnipeg future price.

* * *

Pool Act to Bar Bootlegging

THE Saskatchewan Wheat Pool has found it necessary to put into effect a limitation on its policy of voluntary pooling of wheat. Henceforth no wheat will be admitted for pool selling which is not declared to be pool wheat at the time of delivery to a country elevator, or at the time of consignment of a car loaded over the platform. The official explanation is given as follows:

"In recent weeks it had become apparent that when a decline occurred on the Winnipeg market a number of growers holding wheat in store either in country or terminal elevators, immediately asked to have this grain transferred to the pool. The practice of using the pool as a shelter, it is considered, is unfair to those growers who believe in the pool method of marketing, and who declare their intention of pooling their grain at the time delivery was made."

Since farmers were released from their pool contracts in August, 1931, only a very small percentage of western grain has been pooled. But the quantity during the current year is understood to be considerably above that of the previous year, as low prices have tempted farmers from time to time to think that the pool price might be above that to be obtained by open market selling. This impulse would be particularly strong during a period of declining prices, governed by the prospect of sharing in the benefit of whatever sales had been made at the beginning of the season at higher prices.

MAY DIVORCE OTTAWA GRAIN FROM 3 POOLS

Change in Status Seen for John I. McFarland

LOSS IS $30,000,000

Government Now Carries Twice as Much Wheat as It Took Over from Pools

Although the demands from the prairie provinces for a wheat board are not likely to win support at Ottawa, there are indications that an important change in the government's policy with respect to operations in wheat is under consideration.

At the short session of parliament Premier Bennett announced that losses on wheat purchases to date would not cost the government more than would have been expended on a five cent bonus. The loss, at that time, was placed at approximately $17,500,000. The government wheat holdings, while not known definitely, are estimated reliably at 150,000,000 bushels.

Loss Now $30,000,000

The recent drop in wheat prices, therefore, has added another $15,000,000 to the government's loss, bringing the total to something over $30,000,000 exclusive of carrying charges which, despite the recent reduction ordered by the Board of Grain Commissioners, run to at least $1,000,000 a month.

It is understood that the government is considering a change in the somewhat anomalous position of John I. McFarland. He is now in command of the old Central Selling Agency of the wheat pools, but his wheat holdings today are perhaps double the amount which he inherited when he took over the pool carryover early in 1931. It is thought likely that the government either will create a commission by order-in-council or by statute to take over Mr. McFarland's wheat holdings. Mr. McFarland, of course, would remain as the head of the commission, but thereafter he would be responsible only to the government and Parliament and not to the corporate interests he now controls. The plan would be to bring his activities more into line with the United States Farm Board.

Presumably some settlement would have to be made with the pool central selling agency but if the government accepted the liabilities in regard to pool wheat this would probably be sufficient. Thereafter any profit that might accrue from Mr. McFarland's operations would accrue to the government instead of to the pools.

WHEAT STOCKS RISE FROM A YEAR AGO

An estimate that 745,000,000 bushels of wheat remained on Dec. 1 as the surplus carryover for export in Canada, Australia, Argentina and the United States has been issued by the Bureau of Agricultural Economics at Washington.

This amount, which is 37,000,000 bushels larger in the four countries than at the same time last year, appears in the face of restricted markets throughout the world.

More than half the total surplus carryover for the four countries, moreover, was held on Dec. 1 by the United States, with 416,000,000 bushels. Three of the countries had smaller stocks on that date than at the same time last year, but Canada's increased surplus from 237,000,000 bushels in 1931 to 311,000,000 bushels in 1932 was more than sufficient to offset reductions in the other three, and left a net gain of 37,000,000 bushels.

The surplus carryover in each of the four principal wheat exporting nations on Dec. 1, 1931, and Dec. 1, 1932, was shown in bushels as follows:

Country	1931	1932
United States	433,000,000	416,000,000
Australia	13,000,000	Less than 1,000,000
Canada	237,000,000	311,000,000
Argentina	25,000,000	18,000,000

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Light is Seen Ahead In World Wheat Trade As Balance Returns

Huge Mountains of Wheat Dwindle and All That is Needed Now for Sounder Marketing Conditions is Improvement in General World Economic Situation

From Our Own Correspondent

WINNIPEG, — The old year, 1932, ended with a feeling in the wheat market in Winnipeg, and the same thing was reported from Liverpool and other centres, that perhaps the worst had been experienced, and that some considerable change for the better might be encountered during the coming year. No one knows better than the grain merchant the difficulties that at present surround international trade, or more keenly realizes that the greatest force in the wheat market arises from troubles arising out of the international financial situation, the cure of which is dependent upon matters outside of the specific position in wheat. But, ignoring the general economic background, the wheat picture begins to look slightly less discouraging, or to apply a different metaphor, the market no longer has its vision of the future completely blocked by a mountain of surplus wheat.

No Big Supplies Soon

One important fact is that with the harvesting of the Australian and Argentine crops, another year's production has been completed. There are no more important supplies of wheat to come on the market for another eight months. The United States begins, as a rule, to furnish hard winter wheat to export markets in July, but it seems clear now that there will be none of such wheat thrown on the market next July. Not until the next European winter wheat crop is harvested, and the Canadian crop becomes available, will there be important new sources of supply. Consequently the market should have a steadily decreasing burden of wheat to struggle with, during a long period. That applies particularly in Canada, for with the great bulk of the Canadian crop delivered, any reasonable export business will see this country week by week with less wheat to be carried by the market, although it is too soon yet to calculate how we are likely to come out with respect to carry-over.

Poor Quality in Argentina

There is still doubt as to the size of the Argentine crop, but reiterated reports insist that it is of comparatively poor quality. That is likely to keep Argentine wheat out of competition with Canadian in the high duty countries of Europe, where importers, who have to face duties and quota restrictions, want as good wheat as they can get when they do import. In the United Kingdom and in the comparatively free markets of Holland, Belgium, Switzerland and Scandinavia, Argentine wheat has to be met on a price basis, and any defect in Argentine quality will make that competition easier for Canada. The Argentine is commencing to do a better business with Brazil, now that the United States Farm Board exports to that country are practically out of the way. That will ease the marketing pressure, and reluctance of Argentine farmers to sell at present prices may tend to spread the marketing of their crop over a somewhat longer period than usual, which will be a useful development under present conditions.

Australia in Orient

The Australian crop is of considerable size, but its coming on the market has coincided with an improving demand from non-European countries, and substantial quantities are now on the way to both China and India. It seems likely that Australia will continue to hold the bulk of the Oriental trade, with demand for Canadian wheat in China limited mainly to the quantities required in mixing to lend the necessary strength to flour.

The United Kingdom has no stored up surplus of supplies as was the case a year ago, when large quantities of Russian wheat had been accumulated in advance of actual requirements, and sustained buying in quantity from that source is anticipated.

Italy Relaxes Quota

Italy has commenced to relax her quota restrictions on imported wheat more than a month earlier than the corresponding development last year, and that in spite of a much larger crop. That appears to be a reflection of the fact that Italy under-imported during the last crop year, her takings being only 37,000,000 bushels as against 83,000,000 bushels during the previous year. She was thus left with an unusually small carryover into the new year, which may conceivably result in an increase in imports during the current year, in spite of the larger crop produced. A large part of Italy's imports are always of durum wheat for the manufacture of macaroni, but it looks as if she will have to use a good deal of bread wheat this year for that purpose. There is a considerable surplus of durum wheat in the United States, not now exportable because of the price situation. Canada's durum production is pretty well disposed of, and it seems unlikely that Italy can call on Russia, the only other available source, for any further supplies. Canadian wheat of the Manitoba Northern grades, because of its high gluten content, actually makes very good macaroni, and most Canadian macaroni is made from it, although the Italian taste has always been for durum wheat macaroni.

Russia May Import

Russia has not only practically ceased exporting, but the belief is growing, based on reports of food conditions in that country, that Russia will have to import a considerable quantity before the end of the crop year.

All of western continental Europe had an extraordinarily good wheat crop in 1932, in fact the highest ever recorded, and in that fact rests one of the principal reasons which have restricted world shipments during the present year. But those yields have brought down internal prices, which may tend to increase consumption, and also to lessen efforts toward production of future crops. The extremely small farm reserves which existed in all European countries at the end of the previous crop year may to some extent be built up again, and it is possible that the maximum effect of that large production has been experienced during the past five months. Then again it is believed that the very high wheat yields of western European countries during this past year were not due primarily to improved technique in wheat production, but rather to unusually favorable weather conditions, so that the reasonable expectation is for decidedly smaller yields next year.

U. S. Is Out of It

The United States seems to be out of the international wheat market, not only for the remainder of this crop year, but also for 1933-34, that is in the absence of any new government scheme for selling wheat abroad at less than is paid for it in the domestic market. It is quite possible, with reports of the very poor condition of the winter wheat crop, for 1933 production to fall considerably below the wheat needs of the United States for a year. Whether the whole of the surplus now being carried in the United States can ultimately be used up within that country is still doubtful, but present prices are causing a remarkably high proportion of the crop to be held back on farms, where a good deal may be fed to livestock. In spite of the current cheapness of corn it may pay the farmer in the wheat states better to feed his wheat than to follow his former practice of selling wheat and buying corn for feed. While, because of exchange, United States wheat is much dearer than Canadian in international markets, in terms of money to farmers the price is lower in many cases than to Canadian farmers, because of the higher freight rates in the United States.

Glimmer of Light

The "end of the tunnel" may still be a long way ahead, but there begins to be some glimmer of light, and it is in itself a sign of some improvement in the tone of the market that attention begins to be paid to the possibilities of the situation many months ahead. Such an interest in the future is in itself one of the prerequisites of a healthy market. Any improvement in the general economic and financial background would accelerate improvement in wheat, just as any worsening would retard it.

Regina Will Have World Grain Show

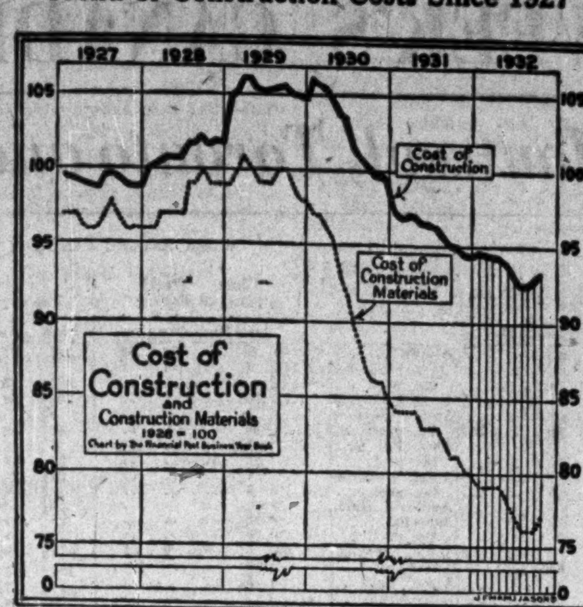
Regina is to be the scene of the World's Grain Exhibition and Conference from July 24 to Aug. 5, 1933. The Dominion Government has extended an invitation to all countries to participate in this conference and has voted funds to complete the necessary organization.

While some reductions have been made in the size of the prizes for various exhibitions, the total available for this purpose is understood to be over $100,000. A new building which was completed in the fall of 1931 will house the exhibits.

It is anticipated by those in charge of the event that a great co-operative conference of wheat producing nations will be held, and papers will be presented to the conference by many leading scientists who have made special studies of all branches of field crop production and marketing.

Entries for exhibit will close Jan. 31, 1933, and exhibits are to arrive in Regina before March 1, 1933. Any grower in any part of the world may exhibit grain.

Trend of Construction Costs Since 1927



The above chart, reproduced from The Financial Post Business Year Book 1933, shows graphically that although cost of construction materials has dropped substantially since 1929, the cost of construction when both labor and materials figures are combined has dropped little more than 12 per cent.

MILLERS PETITION FOR LOWER RATES FROM RAILWAYS

Grain Trade Also Join in Seeking Cut of 20 Per Cent

From Our Own Correspondent

MONTREAL. — Representatives of the milling associations and the Toronto and Montreal Boards of Trade have submitted demands to the Canadian National and Canadian Pacific Railways calling for a reduction of approximately 20 per cent in railway rates for transportation of grain and grain products along the all-rail and lake-and-rail routes from Fort William and the Georgian Bay route, to Ontario, Quebec, New Brunswick and Nova Scotia.

In asking for a reduction in transportation rates, the grain interests of Eastern Canada submitted the plea that in the interests of the trade of the four provinces it was desirable that rates be brought nearer to pre-war levels in view of present economic conditions. They pointed out that though minor reductions in rates had occurred since the war, major increases, on the other hand, had also been made. In 1917 rates had been increased 15 per cent; in 1918, they were again increased by 25 per cent; while in 1920 a 40 per cent increase was put into effect.

Submit Concrete Proposals

The group submitted concrete proposals for reductions in the railway rates on transportation of grain products along the all-rail and lake-and-rail routes from the head of the lakes to Eastern Canada and from Georgian Bay ports — Goderich, Port Colborne, Midland, Port McNicoll, etc.—to Eastern Canada, including Ontario, Quebec, New Brunswick and Nova Scotia points.

Considerable stress was laid upon the fact that economic conditions necessitated a downward revision of rates on the part of both railways if the grain trade and milling industry of Eastern Canada were to prosper.

Want Prompt Action

The suggestion was put forward by the grain and milling interests that the railways would see fit to scale the rates downward with the opening of navigation in the spring, and the new season's pick-up in eastbound grain and grain products traffic. In reply to these demands representatives of the two railways stated that serious consideration would be given to the demands and that a decision would be made at an early date.

Montreal Shipments 113,000,000 Bushels

Total deliveries of grain through the four elevators of the Montreal Harbor Commissioners were 112,883,703 bushels for the twelve months of last year, which is an increase of 23,437,414 bushels over the amount handled outward in 1931, and the best showing made since a record of 211,295,379 bushels was established in 1928. With receipts of 109,164,237, the total amount of grain actually handled by the local port authorities reached the high figure of 222,047,940 bushels.

Year	Deliveries
1921	138,453,890 bus.
1922	155,035,817 bus.
1923	120,107,990 bus.
1924	165,139,399 bus.
1925	166,212,335 bus.
1926	135,897,882 bus.
1927	195,247,914 bus.
1928	211,295,379 bus.
1929	90,694,208 bus.
1930	81,669,864 bus.
1931	89,512,312 bus.
1932	112,883,703 bus.

A large proportion of this decline is in American grain, which has been moving through Montreal in relatively small quantities in the last four years. Whereas 47 per cent of the total handled inward by the Montreal Harbor Commission in 1927 consisted of American grain, and 30 per cent originated in the United States the following year, the percentage has been falling steadily, until it is now about five per cent.

Vancouver Wheat Exports

Exports of wheat from the Port of Vancouver from the beginning of the crop year, August 1, to the end of December will aggregate 47,000,000 bushels, according to estimates of the Vancouver Merchants' Exchange. This volume will exceed by 100,000,000 bushels the record of the similar period of the previous year.

Building Cost Still Remains At High Level

In order to portray the trend of building costs in the past few years, The Financial Post reproduces herewith a chart reprinted from The Business Year Book, 1933, which shows the course of construction costs since 1927.

The interesting feature of this study which is based on figures prepared by the Dominion Bureau of Statistics, is that while cost of building materials has declined by nearly 25 per cent in the past three years, the index of construction costs based on the trend of both construction material prices and labor costs has declined less than half that figure.

How Index Compiled

The index of the cost of construction (indicated by the heavy black line in the accompanying chart) is based on the price of building materials and on wage rates in the building industry. The official index is used for the first factor, while the trend of wage rates is determined from the data published by the Department of Labor at Ottawa. Wage rates are expressed as a percentage of the rates of 1926.

According to enquiries instituted by the Dominion Bureau of Statistics in 1924, materials constituted 65 per cent and labor 35 per cent of the cost of construction. These percentages were used as weights for the year 1924. The weights are varied in other years according to the relative fluctuation in the two components. For example, in 1931 owing to the greater decline in the cost of materials, the weight for materials was 55.3 per cent compared with 44.7 per cent for wages.

KELVINATOR HAS OPERATING LOSS CASH IS HIGHER

Will Use Present Inventories in 1933; Reduce Manufacturing

Reflecting the difficult year experienced by manufacturers of electrical refrigeration, the annual report of Kelvinator of Canada Ltd. shows an operating loss of $58,482 for the year ended September 30, as compared with a profit of $130,069 in the preceding year. Liquid position of the company has been well maintained. Sales in the past year were down by 10 per cent despite the addition of new lines and it is stated that the outlook for the new year is not encouraging. Results in England during the past summer are stated to have been the best in five years.

CONS. INCOME & SURPLUS ACCOUNT
Years Ended Sept. 30

	1932 $	1931 $
Gross profit	653,448	774,820
Less: Selling & oper. expense	640,699	596,764
Sales tax	48,462	12,483
Other reductions less other income	22,768	23,315
Dom. inc. tax	....	12,190
Net profit	*58,482	130,069
Less: pfd. divds.	....	46,340
Surplus for year	58,482	83,729
Add: Prev. surplus	76,597	†40,118
Disc. on redemp. of pfd.	690	130
Pfd. divd. refunded by Kelvinator Corp.	11,585	....
Liability cancelled by Kelvinator Corp.	....	38,125
Less: Loss in converting subsidiary's funds from £ to $	15,798	5,274
Addit. income tax 1930-31	1,866	....
Surplus forward	12,726	76,597

*Loss. †Deficit.

Cash has been increased to $84,052 from $76,745; notes and accounts receivable are down to $106,332 from $238,704, while inventories are up to $368,536 from $301,615. It is stated that the Canadian inventory will be used in 1933 and this will call for less manufacturing. Current liabilities have been reduced with accounts payable down to $57,037 from $69,411; liability to Kelvinator Corp., Detroit, up to $45,748 from $25,631 and reserve for U.S. exchange at $5,005. Working capital position is as follows:

	Sept. 30 1932 $	Sept. 30 1931 $
Current assets	558,921	617,064
Current liabs.	107,790	115,300
Working capital	451,131	501,764
Ratio	5.2—1	5.4—1

Land, buildings and machinery are carried at $160,127 and factory supplies, tools, etc. at $15,555. Patents, goodwill, development and selling rights are valued at $553,419. A reserve of $11,505 is shown for losses on notes receivable discounted. There is outstanding 6,240 shares of $100 par value preferred stock and 100,000 shares of no par value common. Preferred dividends are being paid under the guarantee of the parent company. Capital surplus is shown at $32,000 and surplus at $12,726. There are contingent liabilities of $273,125 on account of contracts discounted by the company and a further unstated liability under repurchase agreement on contracts discounted for others.

EDMONTON DEFICIT MAY BE $400,000

A deficit of $323,495 was reported for Edmonton in the eleven months ended November 30th. The deficit was expected to be larger for the full fiscal year. Gross revenue in the 11 months period totalled $4,974,629 and expenditures of $5,298,124. The deficit is largely attributed to unemployment relief expenditures and cost of exchange on debts payable in United States funds.

Edmonton's share of direct relief to November 30, 1932, was $336,524 against an appropriation of $91,667. It is expected that December relief expenditures will increase the total by some $80,000. The bulk of direct relief expenditures is being capitalized with the payment spread over a ten year period. Bank interest and exchange cost the city $103,929 against an appropriation of $68,750. Debenture interest and redemption involve payment of $1,420,961.

Winnipeg Grain Prices

Week to January 3

Crop year from Aug. 1, 1932 High	Crop year from Aug. 1, 1932 Low		Open Dec. 28	High for week	Low for week	Close Jan. 3
		Wheat				
.63½	.38	December	.40¼	.42⅝	.40¼	..
.67⅝	.40½	May	.42	.44⅞	.41⅝	.44¼
.54⅞	.41¾	July	.42¾	.45¾	.42¾	.45¼
		Oats				
.28⅞	.19⅝	December	.20	.21⅝	.20	..
.29½	.21⅛	May	.21¼	.22⅝	.21⅛	.22⅜
.26	.21½	July	.21½	.22½	.21½	.22⅛
		Barley				
.35½	.25	December	.26⅜	.28¼	.26⅜	..
.38½	.26⅛	May	.26⅛	.28⅞	.26⅛	.28¼
.35¾	.26	July	.26	.28¼	.26	.27⅝
		Flax				
.87	.66¾	December	.69⅝	.75	.69⅝	..
.94	.71¼	May	.73¼	.78¼	.73¼	.76⅜
.79¾	.71⅝	July	.74¼	.78⅝	.74¼	.76⅝
		Rye				
.39⅝	.26½	December	..	.30¾	.28¼	..
.42⅞	.30¼	May	.30¼	.33	.30¼	.32⅝
.37	.31	July	.31	.33⅛	.31	.33

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Branch Offices:
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MASTER FEEDS
For Livestock and Pou
Toronto

Grain and Milling in Canada

This Week in Wheat

Wheat Shipments Tend to Decline

But Canada Holds Half of Total

Talk of Trading in Vancouver

From Our Own Correspondent

Week's Shipments Dwindle in World

WINNIPEG.—Last week's world shipments of wheat declined to less than 10,000,000 bushels, partly no doubt a reflection of holiday conditions. North America supplied nearly 5,000,000 bushels, nearly all from Canada. The small total was somewhat surprising, but was considered, both at Liverpool and elsewhere, as reflecting a disinclination on the part of both Australia and Argentine to push sales unduly at present levels. Quantities afloat increased slightly, but not as much as is usual at this time of the year, due to the longer passage time required for supplies from the southern hemisphere.

Disappearance of December wheat from the board was marked by no market disturbance, indicating, as had also the small deliveries made during the month, that hedges had been transferred to May and July well in advance.

Some slight increase in commercial and possibly also in speculative buying appears to have taken place lately, and the market has been able to maintain some degree of firmness without any increase being noted in government support. Cash prices closed on Tuesday with No. 1 Northern two and a quarter cents below the May option, representing but a small carrying charge after the cost of interest is taken care of. There appears to be a feeling that the cash may overtake the future well in advance of the delivery month, as supplies of wheat in the east are not heavy and may be considerably depleted before the opening of navigation, suggesting the possibility of a fairly heavy movement down the lakes as soon as shipment is possible.

* * *

Hedging Market for Vancouver

THE fact that Vancouver during the past calendar year surpast all previous records for grain shipments, with a total of 106,000,000 bushels, and looks forward to an even bigger business next year, has revised talk of the possibility of operating a futures market for hedging purposes there. Preparations for such a development were made several years ago, but it was found that there was insufficient trading support to make it then practicable.

There is also a suggestion that the basis of trading on the Winnipeg market might be revised to provide for an alternative delivery at Vancouver, instead of only at Fort William or Port Arthur. The present slim extent of outside trading in wheat, which resulted in the Dominion Government making extensive commitments in the futures markets, would preclude any immediate developments, and there is recalled the recent unsuccessful attempt of the New York Produce Exchange to establish a market for dealing in the futures on the basis of Canadian wheat in store at Buffalo.

The wheat merchant at Vancouver is handicapped to ome extent by the fact that he has to conduct hedging operations on the Winnipeg market, and Winnipeg prices, while usually the approximate equivalent of those at Vancouver, are probably never exactly the same, and each market is alternately above or below the other by several cents a bushel. The difficulty is overcome at the present time by a system of trading in indvidual contracts between exporters and terminal elevator companies, by which deliveries of different grades in specified months in the future are guaranteed on the basis of set spreads in relation to the Winnipeg future price.

* * *

Pool Act to Bar Bootlegging

THE Saskatchewan Wheat Pool has found it necessary to put into effect a limitation on its policy of voluntary pooling of wheat. Henceforth no wheat will be admitted for pool selling which is not declared to be pool wheat at the time of delivery to a country elevator, or at the time of consignment of a car loaded over the platform. The official explanation is given as follows:

"In recent weeks it had become apparent that when a decline occurred on the Winnipeg market a number of growers holding wheat in store either in country or terminal elevators, immediately asked to have this grain transferred to the pool. The practice of using the pool as a shelter, it is considered, is unfair to those growers who believe in the pool method of marketing, and who declare their intention of pooling their grain at the time delivery was made."

Since farmers were released from their pool contracts in August, 1931, only a very small percentage of western grain has been pooled. But the quantity during the current year is understood to be considerably above that of the previous year, as low prices have tempted farmers from time to time to think that the pool price might be above that to be obtained by open market selling. This impulse would be particularly strong during a period of declining prices, governed by the prospect of sharing in the benefit of whatever sales had been made at the beginning of the season at higher prices.

MAY DIVORCE OTTAWA GRAIN FROM 3 POOLS

Change in Status Seen for John I. McFarland

LOSS IS $30,000,000

Government Now Carries Twice as Much Wheat as It Took Over from Pools

Although the demands from the prairie provinces for a wheat board are not likely to win support at Ottawa, there are indications that an important change in the government's policy with respect to operations in wheat is under consideration.

At the short session of parliament Premier Bennett announced that losses on wheat purchases to date would not cost the government more than would have been expended on a five cent bonus. The loss, at that time, was placed at approximately $17,500,000. The government wheat holdings, while not known definitely, are estimated reliably at 150,000,000 bushels.

Loss Now $30,000,000

The recent drop in wheat prices, therefore, has added another $15,000,000 to the government's loss, bringing the total to something over $30,000,000 exclusive of carrying charges which, despite the recent reduction ordered by the Board of Grain Commissioners, run to at least $1,000,000 a month.

It is understood that the government is considering a change in the somewhat anomalous position of John I. McFarland. He is now in command of the old Central Selling Agency of the wheat pools, but his wheat holdings today are perhaps double the amount which he inherited when he took over the pool carryover early in 1931. It is thought likely that the government either will create a commission by order-in-council or by statute to take over Mr. McFarland's wheat holdings. Mr. McFarland, of course, would remain as the head of the commission, but thereafter he would be responsible only to the government and Parliament and not to the corporate interests he now controls. The plan would be to bring his activities more into line with the United States Farm Board.

Presumably some settlement would have to be made with the pool central selling agency but if the government accepted the liabilities in regard to pool wheat this would probably be sufficient. Thereafter any profit that might accrue from Mr. McFarland's operations would accrue to the government instead of to the pools.

WHEAT STOCKS RISE FROM A YEAR AGO

An estimate that 745,000,000 bushels of wheat remained on Dec. 1 as the surplus carryover for export in Canada, Australia, Argentina and the United States has been issued by the Bureau of Agricultural Economics at Washington.

This amount, which is 37,000,000 bushels larger in the four countries than at the same time last year, appears in the face of restricted markets throughout the world.

More than half the total surplus carryover for the four countries, moreover, was held on Dec. 1 by the United States, with 416,000,000 bushels. Three of the countries had smaller stocks on that date than at the same time last year, but Canada's increased surplus from 237,000,000 bushels in 1931 to 311,000,000 bushels in 1932 was more than sufficient to offset reductions in the other three, and left a net gain of 37,000,000 bushels.

The surplus carryover in each of the four principal wheat exporting nations on Dec. 1, 1931, and Dec. 1, 1932, was shown in bushels as follows:

Country	1931	1932
United States	433,000,000	416,000,000
Australia	18,000,000	Less than 1,000,000
Canada	237,000,000	311,000,000
Argentina	25,000,000	18,000,000

Light is Seen Ahead In World Wheat Trade As Balance Returns

Huge Mountains of Wheat Dwindle and All That is Needed Now for Sounder Marketing Conditions is Improvement in General World Economic Situation

From Our Own Correspondent

WINNIPEG, — The old year, 1932, ended with a feeling in the wheat market in Winnipeg, and the same thing was reported from Liverpool and other centres, that perhaps the worst had been experienced, and that some considerable change for the better might be encountered during the coming year. No one knows better than the grain merchant the difficulties that at present surround international trade, or more keenly realizes that the greatest force in the wheat market arises from troubles arising out of the international financial situation, the cure of which is dependent upon matters outside of the specific position in wheat. But, ignoring the general economic background, the wheat picture begins to look slightly less discouraging, or to apply a different metaphor, the market no longer has its vision of the future completely blocked by a mountain of surplus wheat.

No Big Supplies Soon

One important fact is that with the harvesting of the Australian and Argentine crops, another year's production has been completed. There are no more important supplies of wheat to come on the market for another eight months. The United States begins, as a rule, to furnish hard winter wheat to export markets in July, but it seems clear now that there will be none of such wheat thrown on the market next July. Not until the next European winter wheat crop is harvested, and the Canadian crop becomes available, will there be important new sources of supply. Consequently the market should have a steadily decreasing burden of wheat to struggle with, during a long period. That applies particularly in Canada, for with the great bulk of the Canadian crop delivered, any reasonable export business will see this country week by week with less wheat to be carried by the market, although it is too soon yet to calculate how we are likely to come out with respect to carry-over.

Poor Quality in Argentina

There is still doubt as to the size of the Argentine crop, but reiterated reports insist that it is of comparatively poor quality. That is likely to keep Argentine wheat out of competition with Canadian in the high duty countries of Europe, where importers, who have to face duties and quota restrictions, want as good wheat as they can get when they do import. In the United Kingdom and in the comparatively free markets of Holland, Belgium, Switzerland and Scandinavia, Argentine wheat has to be met on a price basis, and any defect in Argentine quality will make that competition easier for Canada. The Argentine is commencing to do a better business with Brazil, now that the United States Farm Board exports to that country are practically out of the way. That will ease the marketing pressure, and reluctance of Argentine farmers to sell at present prices may tend to spread the marketing of their crop over a somewhat longer period than usual, which will be a useful development under present conditions.

Australia in Orient

The Australian crop is of considerable size, but its coming on the market has coincided with an improving demand from non-European countries, and substantial quantities are now on the way to both China and India. It seems likely that Australia will continue to hold the bulk of the Oriental trade, with demand for Canadian wheat in China limited mainly to the quantities required in mixing to lend the necessary strength to flour.

The United Kingdom has no stored up surplus of supplies as was the case a year ago, when large quantities of Russian wheat had been accumulated in advance of actual requirements, and sustained buying in quantity from that source is anticipated.

Italy Relaxes Quota

Italy has commenced to relax her quota restrictions on imported wheat more than a month earlier than the corresponding development last year, and that in spite of a much larger crop. That appears to be a reflection of the fact that Italy under-imported during the last crop year, her takings being only 37,000,000 bushels as against 83,000,000 bushels during the previous year. She was thus left with an unusually small carryover into the new year, which may conceivably result in an increase in imports during the current year, in spite of the larger crop produced. A large part of Italy's imports are always of durum wheat for the manufacture of macaroni, but it looks as if she will have to use a good deal of bread wheat this year for that purpose. There is a considerable surplus of durum wheat in the United States, not now exportable because of the price situation. Canada's durum production is pretty well disposed of, and it seems unlikely that Italy can call on Russia, the only other available source, for any further supplies. Canadian wheat of the Manitoba Northern grades, because of its high gluten content, actually makes very good macaroni, and most Canadian macaroni is made from it, although the Italian taste has always been for durum wheat macaroni.

Russia May Import

Russia has not only practically ceased exporting, but the belief is growing, based on reports of food conditions in that country, that Russia will have to import a considerable quantity before the end of the crop year.

All of western continental Europe had an extraordinarily good wheat crop in 1932, in fact the highest ever recorded, and in that fact rests one of the principal reasons which have restricted world shipments during the present year. But those yields have brought down internal prices, which may tend to increase consumption, and also to lessen efforts toward production of future crops. The extremely small farm reserves which existed in all European countries at the end of the previous crop year may to some extent be built up again, and it is possible that the maximum effect of that large production has been experienced during the past five months. Then again it is believed that the very high wheat yields of western European countries during this past year were not due primarily to improved technique in wheat production, but rather to unusually favorable weather conditions, so that the reasonable expectation is for decidedly smaller yields next year.

U. S. Is Out of It

The United States seems to be out of the international wheat market, not only for the remainder of this crop year, but also for 1933-34, that is in the absence of any new government scheme for selling wheat abroad at less than is paid for it in the domestic market. It is quite possible, with reports of the very poor condition of the winter wheat crop, for 1933 production to fall considerably below the wheat needs of the United States for a year. Whether the whole of the surplus now being carried in the United States can ultimately be used up within that country is still doubtful, but present prices are causing a remarkably high proportion of the crop to be held back on farms, where a good deal may be fed to livestock. In spite of the current cheapness of corn it may pay the farmer in the wheat states better to feed his wheat than to follow his former practice of selling wheat and buying corn for feed. While, because of exchange, United States wheat is much dearer than Canadian in international markets, in terms of money to farmers the price is lower in many cases than to Canadian farmers, because of the higher freight rates in the United States.

Glimmer of Light

The "end of the tunnel" may still be a long way ahead, but there begins to be some glimmer of light, and it is in itself a sign of some improvement in the tone of the market that attention begins to be paid to the possibilities of the situation many months ahead. Such an interest in the future is in itself one of the prerequisites of a healthy market. Any improvement in the general economic and financial background would accelerate improvement in wheat, just as any worsening would retard it.

Regina Will Have World Grain Show

Regina is to be the scene of the World's Grain Exhibition and Conference from July 24 to Aug. 5, 1933. The Dominion Government has extended an invitation to all countries to participate in this conference and has voted funds to complete the necessary organization.

While some reductions have been made in the size of the prizes for various exhibitions, the total available for this purpose is understood to be over $100,000. A new building which was completed in the fall of 1931 will house the exhibits.

It is anticipated by those in charge of the event that a great co-operative conference of wheat producing nations will be held, and papers will be presented to the conference by many leading scientists who have made special studies of all branches of field crop production and marketing.

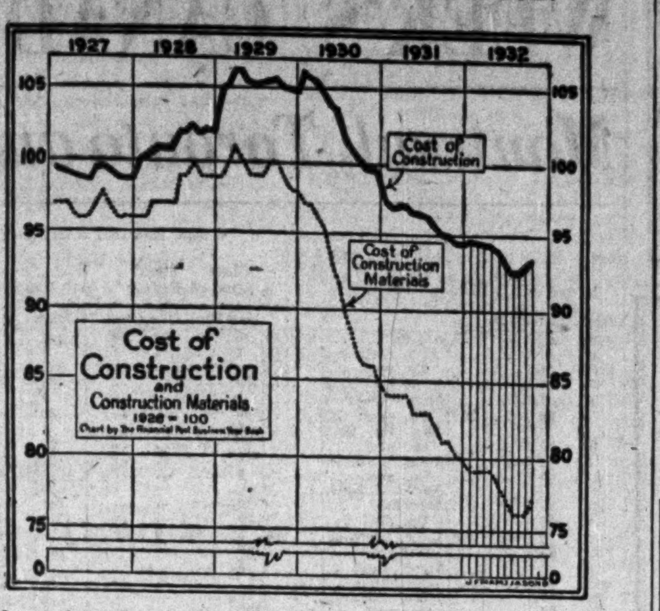
Entries for exhibit will close Jan. 31, 1933, and exhibits are to arrive in Regina before March 1, 1933. Any grower in any part of the world may exhibit grain.

Winnipeg Grain Prices

Week to January 3

Crop year from Aug. 1, 1932 High	Crop year from Aug. 1, 1932 Low		Open Dec. 28	High for week	Low for week	Close Jan. 3
		Wheat				
.63½	.38	December	.40¼	.42⅝	40¼	..
.67⅝	.40½	May	.42	.44⅞	.41⅝	.44¼
.54⅞	.41¾	July	.42¾	.45¾	.42¾	.45¼
		Oats				
.28⅞	.19⅝	December	.20	.21⅝	.20	..
.29½	.21⅛	May	.21¼	.22⅝	.21⅛	.22⅜
.26	.21½	July	.21½	.22½	.21½	.22⅛
		Barley				
.35½	.25	December	.26⅝	.28¼	.26⅝	..
.38½	.26⅛	May	.26⅛	.28⅞	.26⅛	.28¼
.35⅝	.26	July	.26	.28¼	.26	.27⅝
		Flax				
.87	.66¾	December	.69⅝	.75	.69⅝	..
.94	.71¼	May	.73¼	.78¼	.73¼	.76⅝
.79¾	.71⅝	July	.74¼	.78⅝	.74¼	.76⅝
		Rye				
.39⅝	.26½	December	..	.30⅝	.28¼	..
.42⅞	.30¼	May	.30¼	.33	.30¼	.32⅜
.37	.31	July	.31	.33⅛	.31	.33

Trend of Construction Costs Since 1927



The above chart, reproduced from The Financial Post Business Year Book 1933, shows graphically that although cost of construction materials has dropped substantially since 1929, the cost of construction when both labor and materials figures are combined has dropped little more than 12 per cent.

MILLERS PETITION FOR LOWER RATES FROM RAILWAYS

Grain Trade Also Join in Seeking Cut of 20 Per Cent

From Our Own Correspondent

MONTREAL. — Representatives of the milling associations and the Toronto and Montreal Boards of Trade have submitted demands to the Canadian National and Canadian Pacific Railways calling for a reduction of approximately 20 per cent in railway rates for transportation of grain and grain products along the all-rail and lake-and-rail routes from Fort William and the Georgian Bay route, to Ontario, Quebec, New Brunswick and Nova Scotia.

In asking for a reduction in transportation rates, the grain interests of Eastern Canada submitted the plea that in the interests of the trade of the four provinces it was desirable that rates be brought nearer to pre-war levels in view of present economic conditions. They pointed out that though minor reductions in rates had occurred since the war, major increases, on the other hand, had also been made. In 1917 rates had been increased 15 per cent; in 1918, they were again increased by 25 per cent; while in 1920 a 40 per cent increase was put into effect.

Submit Concrete Proposals

The group submitted concrete proposals for reductions in the railway rates on transportation of grain products along the all-rail and lake-and-rail routes from the head of the lakes to Eastern Canada and from Georgian Bay ports — Goderich, Port Colborne, Midland, Port McNicoll, etc.—to Eastern Canada, including Ontario, Quebec, New Brunswick and Nova Scotia points.

Considerable stress was laid upon the fact that economic conditions necessitated a downward revision of rates on the part of both railways if the grain trade and milling industry of Eastern Canada were to prosper.

Want Prompt Action

The suggestion was put forward by the grain and milling interests that the railways would see fit to scale the rates downward with the opening of navigation in the spring, and the new season's pick-up in eastbound grain and grain products traffic. In reply to these demands representatives of the two railways stated that serious consideration would be given to the demands and that a decision would be made at an early date.

Montreal Shipments 113,000,000 Bushels

Total deliveries of grain through the four elevators of the Montreal Harbor Commissioners were 112,883,703 bushels for the twelve months of last year, which is an increase of 23,437,414 bushels over the amount handled outward in 1931, and the best showing made since a record of 211,295,379 bushels was established in 1928. With receipts of 109,164,237, the total amount of grain actually handled by the local port authorities reached the high figure of 222,047,940 bushels.

Year	Deliveries
1921	138,453,890 bus.
1922	155,035,817 bus.
1923	120,107,990 bus.
1924	165,139,399 bus.
1925	166,212,335 bus.
1926	135,897,882 bus
1927	195,247,914 bus.
1928	211,295,379 bus.
1929	90,694,208 bus.
1930	81,669,864 bus.
1931	89,512,312 bus.
1932	112,883,703 bus.

A large proportion of this decline is in American grain, which has been moving through Montreal in relatively small quantities in the last four years. Whereas 47 per cent of the total handled inward by the Montreal Harbor Commission in 1927 consisted of American grain, and 30 per cent originated in the United States the following year, the percentage has been falling steadily, until it is now about five per cent.

Vancouver Wheat Exports

Exports of wheat from the Port of Vancouver from the beginning of the crop year, August 1, to the end of December will aggregate 47,000,000 bushels, according to estimates of the Vancouver Merchants' Exchange. This volume will exceed by 100,000,000 bushels the record of the similar period of the previous year.

Building Cost Still Remains At High Level

In order to portray the trend of building costs in the past few years, The Financial Post reproduces herewith a chart reprinted from The Business Year Book, 1933, which shows the course of construction costs since 1927.

The interesting feature of this study which is based on figures prepared by the Dominion Bureau of Statistics, is that while cost of building materials has declined by nearly 25 per cent in the past three years, the index of construction costs based on the trend of both construction material prices and labor costs has declined less than half that figure.

How Index Compiled

The index of the cost of construction (indicated by the heavy black line in the accompanying chart) is based on the price of building materials and on wage rates in the building industry. The official index is used for the first factor, while the trend of wage rates is determined from the data published by the Department of Labor at Ottawa. Wage rates are expressed as a percentage of the rates of 1926.

According to enquiries instituted by the Dominion Bureau of Statistics in 1924, materials constituted 65 per cent and labor 35 per cent of the cost of construction. These percentages were used as weights for the year 1924. The weights are varied in other years according to the relative fluctuation in the two components. For example, in 1931 owing to the greater decline in the cost of materials, the weight for materials was 55.3 per cent compared with 44.7 per cent for wages.

KELVINATOR HAS OPERATING LOSS CASH IS HIGHER

Will Use Present Inventories in 1933; Reduce Manufacturing

Reflecting the difficult year experienced by manufacturers of electrical refrigeration, the annual report of Kelvinator of Canada Ltd. shows an operating loss of $58,482 for the year ended September 30, as compared with a profit of $130,069 in the preceding year. Liquid position of the company has been well maintained. Sales in the past year were down by 10 per cent despite the addition of new lines and it is stated that the outlook for the new year is not encouraging. Results in England during the past summer are stated to have been the best in five years.

CONS. INCOME & SURPLUS ACCOUNT
Years Ended Sept. 30

	1932 $	1931 $
Gross profit	653,448	774,820
Less: Selling & oper. expense	640,699	596,764
Sales tax	48,462	12,483
Other reductions less other income	22,768	23,315
Dom. inc. tax	....	12,190
Net profit	*58,482	130,069
Less: pfd. divds.	....	46,340
Surplus for year	58,482	83,729
Add: Prev. surplus	76,597	†40,118
Disc. on redemp. of pfd.	690	130
Pfd. divd. refunded by Kelvinator Corp.	11,585	......
Liability cancelled by Kelvinator Corp.	....	38,125
Less: Loss in converting subsidiary's funds from £ to $	15,798	5,274
Addit. income tax 1930-31	1,866	....
Surplus forward	12,726	76,597

*Loss. †Deficit.

Cash has been increased to $84,052 from $76,745; notes and accounts receivable are down to $106,332 from $238,704, while inventories are up to $368,536 from $301,615. It is stated that the Canadian inventory will be used in 1933 and this will call for less manufacturing. Current liabilities have been reduced with accounts payable down to $57,037 from $69,411; liability to Kelvinator Corp., Detroit, up to $45,748 from $25,631 and reserve for U.S. exchange at $5,005. Working capital position is as follows:

	Sept. 30 1932 $	Sept. 30 1931 $
Current assets	558,921	617,064
Current liabs.	107,790	115,300
Working capital	451,131	501,764
Ratio	5.2—1	5.4—1

Land, buildings and machinery are carried at $160,127 and factory supplies, tools, etc. at $15,555. Patents, goodwill, development and selling rights are valued at $553,419. A reserve of $11,505 is shown for losses on notes receivable discounted. There is outstanding 6,240 shares of $100 par value preferred stock and 100,000 shares of no par value common. Preferred dividends are being paid under the guarantee of the parent company. Capital surplus is shown at $32,000 and surplus at $12,726. There are contingent liabilities of $273,125 on account of contracts discounted by the company and a further unstated liability under repurchase agreement on contracts discounted for others.

EDMONTON DEFICIT MAY BE $400,000

A deficit of $323,495 was reported for Edmonton in the eleven months ended November 30th. The deficit was expected to be larger for the full fiscal year. Gross revenue in the 11 months period totalled $4,974,629 and expenditures of $5,298,124. The deficit is largely attributed to unemployment relief expenditures and cost of exchange on debts payable in United States funds.

Edmonton's share of direct relief to November 30, 1932, was $336,524 against an appropriation of $91,667. It is expected that December relief expenditures will increase the total by some $80,000. The bulk of direct relief expenditures is being capitalized with the payment spread over a ten year period. Bank interest and exchange cost the city $103,929 against an appropriation of $68,750. Debenture interest and redemption involve payment of $1,420,961.

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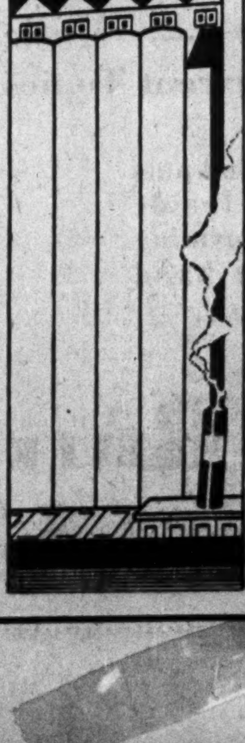

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Paramount Publix Sells Exhibiting Subsidiary

Negotiations extending over several weeks have just been concluded between M. E. Comerford and Paramount Publix Corp., as the result of which the M. E. Comerford interests re-acquire an interest in the group of theatres in Scranton, Wilkes Barre and other cities in Pennsylvania, formerly owned by them and sold to the Paramount Publix Corporation in August, 1930. In addition to re-acquiring the interest in the properties in association with Paramount Publix Corp., the Comerford interests take over the active management of the circuit. This is, in pursuance of the policy recently adopted by Paramount Publix Corporation of decentralizing and localizing the management of its theatre circuits.

George Walsh, who has been in charge of the Comerford circuit of theatres since they were acquired by Paramount Publix Corporation, moves to New York City where he becomes assistant to Sam Dembow, Jr., who is in charge of the theatre department.

November Newsprint Production

Production of newsprint paper by Canadian mills during the month of November amounted to 161,334 tons, according to the monthly report of the News Print Service Bureau, New York. This total compares with 157,506 tons in October of this year, an increase of 3,828 tons, and with 175,643 tons in the corresponding month of last year.

SOUND ADVICE FOR THE NEW YEAR
- If you have no Will have one drawn at once by a competent Lawyer.
- If you have a Will read it over and make sure that it is not out-of-date.
- Submit a draft of your Will to a Trust Company for constructive criticism from the point of view of a practical administrator.
- Appoint a Trust Company your Executor and Trustee.

THE ROYAL TRUST COMPANY
EXECUTORS and TRUSTEES
59 YONGE STREET . . . TORONTO
Branches throughout Canada
Assets Under Administration Exceed $576,000,000
209

Covering Its Field!
Radio Weekly and The Revue gives complete coverage of the entertainment field.
Radio — Movies — Music
Drama—Comics—Current Topics
Here's a paper that puts you on the "inside track," by providing you with first hand information.
RADIO WEEKLY and THE REVUE
5c At All Newsdealers 5c

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING JANUARY 2

Range 1932 High	Low	Divd. Rate in $	Yield in % Dec. 30		Sales	Close Dec. 26 (or last)	Week Ending —Jan. 2— High	Low	Close
3.25	.25	.	...	Abitibi	60	.30	.30	.30	.30
10	1	.	...	Do. pref.	145	1	1⅛	1	1⅛
x105	80	.	...	Do. pref.	....	..	..	..	..
80	80	7	...	Acme F. D'y. p	....	80	..	..	..
5	4½	.	...	Agnew Surp.	....	5	..	..	..
70	60	7	11.7	Do. pref.	....	60	..	..	..
7½	3½	.	...	Alta. Pa. Gr.	....	5	..	..	..
45	19	.	...	Do. pref.	....	20	..	..	..
3½	1½	.	...	Amal. Electric	....	1½	..	..	..
11	5	.	...	Do. pref.	....	5	..	..	..
x3½	3½	.	...	Anglo. N. Hold.	....	..	..	..	..
.30	.15	.	...	Asbestos	....	.20	..	..	..
1.00	.50	.	...	Do. pref.	....	.50	..	..	..
7	4	60c	10.9	Assoc. Brew.	56	5½	5½	5	5
72	65	7	10	Do. pref.	....	70	..	..	..
3	3	.	...	Assoc. Can.	....	3	..	..	..
x69	65	.	...	Assoc. Tele.	....	..	..	..	..
30	16	.	...	Atlan. Sugar	....	20½	..	..	..
120	92	.	...	Do. pref.	....	120	..	..	..
159¾	127	10	7.8	Bk. Can. Nat.	....	128	..	..	..
225	150	10	5.3	Bk. Montreal	39	188	188	185	186
275	238	14	5.4	Bk. N. Scotia	12	256½	260	254	260
193	125	10	6.1	Bk. Toronto	10	164	163	163	163
10½	10½	.	...	Barcelona	....	10½	..	..	..
3	1	.	...	Bathurst Pr.	50	1½	1½	1½	1½
1½	½	.	...	Do. (B)	10	1½	1	1	1
x26	26	.	...	Bawlf Grain	....	..	..	..	..
20	15	.	...	Do. pref.	....	15	..	..	..
5	3	.	...	Beath & Sons	....	5	..	..	..
10½	3½	.	...	Beatty Bros. A	....	7	..	..	..
60	41	6	10.5	Do. pref.	....	57	..	..	..
3.50	.40	.	...	Beauharnois	2880	.80	.85	.65	.75
63	60	7	11.1	Belding Cort.	....	63	..	..	..
90	65	7	7.8	Do. pref.	....	90	..	..	..
120	75	7	7.5	Bell Telephone	476	90½	94	90½	93
5	2	.	...	Biltmore Hats	25	4	3½	3½	3½
63	50	7	11.1	Do. pref.	....	63	..	..	..
4	1½	.	...	Bissell, T. E.	....	1½	..	..	..
x97	88	.	...	Do. pref.	....	..	..	..	..
8	2	.	...	Blue Ribbon	....	2	..	..	..
25	9	2	16.7	Do. pref.	15	14	12	12	12
20	17	2	10.8	Brant. Cd. pf.	140	20	18½	18½	18½
14¾	7½	.	...	Brazilian Tr.	8605	9¼	10	9½	9⅝
1.00	.40	.	...	Brew. & Distil.	....	.65	..	..	..
1	⅛	.	...	Brewing Corp.	10	⅛	⅛	⅛	⅛
3½	1	.	...	Do. pref.	100	1	1½	1½	1½
11½	7½	80c	9.5	Brit. Amer. Oil	2875	8	8⅜	7⅞	8¼
3.50	.60	.	...	B.C. Packers	245	1.00	1.00	1.00	1.00
8½	4	.	...	Do. pref.	....	5	..	..	..
28	15	2	12	B.C. Power (A)	616	17¼	17¼	16⅝	16⅝
7½	3¾	.	...	Do. (B)	637	4¼	4⅜	4¼	4⅜
6½	2	.	...	Bruck S. Mills	....	4	..	..	..
20¼	10	1	8.3	Building Prod.	220	11	12	11	11½
32	17	2.40	8.6	Burt, F. N.	20	26½	28	28	28
125	120	6	5	Calgary Pr.	....	120	..	..	..
4	1	.	...	Canada Bread	....	1	..	..	..
85	80	7	8.2	Do. pref. A.	....	85	..	..	..
25	10	.	...	Do. pref. B.	....	10	..	..	..
9	6½	1	14.8	Canada Bud	375	6⅞	7⅛	6⅞	6⅞
7	2	.	...	Canada Cement	895	2⅞	2⅞	2½	2½
66	15¾	.	...	Do. pref.	120	16	16⅜	16	16
b15	6	1	10.9	Canada Dry	1003	8⅞	9¼	8½	9
6	2	.	...	Can. Forg. (A)	20	2	2¼	2¼	2¼
7½	2	.	...	Do. (B)	....	7½	..	..	..
15	15	.	...	Canada Iron	....	15	..	..	..
x80	75	3	...	Do. pref.	....	..	..	..	..
400	400	20	5	Canada Life	3	..	400	400	400
15¼	8½	1.50	10.6	Can. Malting	800	13¾	14⅛	13½	14
17	9	80c	5.9	Can. Nor. Pr.	....	13½	..	..	..
92	52½	7	10.8	Do. pref.	40	70	67	65	65
x6	⅝	.	...	Can. Paving	....	..	..	..	..
10½	6	.	...	Do. pref.	50	6⅝	10½	9	9
186	135	12	7.7	Can. Perman.	5	157	155	155	155
1.00	.50	.	...	Can. Pr. & Pa.	....	.55	..	..	..
3½	¾	.	...	Can. Steamsh's	....	1½	..	..	..
11⅞	1	.	...	Do. pref.	5	2¼	2½	2½	2¼
17	9⅞	1.60	21.1	Can. Vinegars	130	13½	13½	13	13¼
55	28½	.	...	Can. W. Cable	....	32	..	..	..
18	4	.	...	Do. (B)	285	9	8¾	8½	8¾
1½	1½	.	...	Can. Bakeries	....	1½	..	..	..
14	5	.	...	Do. pref.	....	5	..	..	..
191	123	10	7.2	Can. Bk. Com.	109	135	140	135	140
18	9	1.25	7.8	Can. Bronze	....	16	..	..	..
102	70	7	8.7	Do. pref.	....	80½	..	..	..
6¾	1¾	.	...	Can. Canners	....	3¼	..	..	..
80	40	6	10.9	Do. 1st pfd.	25	55	55	55	55
9	3¾	40c	7.3	Do. 2nd pfd.	195	5¼	5½	5	5½
8½	2½	.	...	Can. Car & F'y	785	3¼	3¼	3	3½
19½	10	1.75	17.1	Do. pref.	565	10¼	10⅝	10	10¼
12½	3⅜	.	...	Can. Celanese	....	8⅞	..	..	..
84½	42	7	9.3	Do. pref.	5	82½	75	75	75
20	16½	2	12.1	Can. Convert.	....	16½	..	..	..
‡50	45	.	...	Can. Cottons	....	..	..	..	..
60	48½	6	12.2	Do. pref.	....	49	..	..	..
17	7	1	...	Can. Dredge	40	13½	13½	13¼	13¼
x92	92	7	...	Do. pref.	....	..	..	..	..
68	60	6	10	Can. Fairb. pf.	....	60	..	..	..
4	3	.	...	Can. For. Inv.	....	8	..	..	..
65	55	.	...	Do. pref.	....	55	..	..	..
180	110	4	3.6	Can. Gen. Elec.	....	110	..	..	..
59	50	3.50	6.3	Do. pref.	20	55	55⅛	55⅛	55⅛
3⅜	3½	.	...	Can. G. Inv. T.	....	8½	..	..	..
66	29	6	16.2	Can. Hyd. El. p	190	39	39	37	37
3⅜	½	.	...	Can. Ind. Alc.	965	2	2¼	1⅞	2
2.25	.30	.	...	Do. (B)	25	1.12	1.50	1.50	1.50
x5.00	3.95	.	...	Can. Int. I. Tr.	....	..	..	..	..
x70	64½	.	...	Do. pref.	....	..	..	..	..
21	15	1	6.4	Can. Lt. & Pr.	....	15	..	..	..
1½	1	.	...	Can. Locomo.	....	1	..	..	..
x25	5	.	...	Do. pref.	....	..	..	..	..
2½	½	.	...	Can. Marconi	13102	1	1⅛	⅞	1⅛
13	7½	1	10.2	Canadian Oil	....	9¾	..	..	..
100	84	8	8.1	Do. pref.	....	98½	..	..	..
22⅞	8½	.	...	Can. Pacific	7938	15	16¼	15	16¼
3	1½	.	...	Can. Vickers	....	3	..	..	..
20½	20½	.	...	Do. pref.	....	20¼	..	..	..
3½	1	20c	...	Can. Wineries	....	1¼	..	..	..
7½	4	.	...	Can. Wire Box	....	5	..	..	..
12	7	.	...	Catelli Mac. A	....	7	..	..	..
x5	5	.	...	Do. (B)	....	..	..	..	..
x301	290	10	...	Cent. Can. L'n	....	..	..	..	..
2.05	.50	.	...	Chem. Research	1600	.70	.70	.65	.70
1	1	.	...	Claude Neon	....	1	..	..	..
8½	3	.	...	Cockshutt Plow	486	3¾	4⅛	3¾	4⅛
2	½	.	...	Comm. Alcohol	....	1⅜	..	..	..
3⅜	1	.	...	Conduits	....	1½	..	..	..
x94	84	.	...	Do. pref.	....	..	..	..	..
8	2½	.	...	Cons. Bakeries	50	2½	2⅝	2⅝	2⅝
5	1	.	...	Cons. Industries	50	1	1	1	1
4	4	.	...	Cons. Paper	....	4	..	..	..
15	5	.	...	Cons. Press	....	6	..	..	..
35	30	.	...	Cons. Sand pf.	....	35	..	..	..
102	25	.	...	Cons. Smelters	554	60	63½	60	63½
175	142	10	5.9	Consumers Gas	103	169	170	168½	168½
‡35	30	.	...	Cooksville Co.	....	..	..	..	..
‡85	85	.	...	Do. pref.	....	..	..	..	..
x20½	15	.	...	Corpor. Steel	....	..	..	..	..
‡90	90	.	...	Corr. P. Box, p	....	..	..	..	..
3½	2½	.	...	Cosgrave Brew.	....	2½	..	..	..
5⅜	2	.	...	Cosmos Imp.	....	3	..	..	..
68	40	3.50	7.4	Do. pref.	....	47½	..	..	..
3⅜	2	.	...	Crown Dom. Oil	325	2¾	3¼	3¼	3¼
20	8	6	...	Crow's N. Coal	....	15	..	..	..
1½	1½	.	...	David & Fre. B.	....	1½	..	..	..
x12½	12½	.	...	De Havilland	....	..	..	..	..
15	10	.	...	Do. pref.	....	10	..	..	..
x9	5	.	...	Disher Steel	....	..	..	..	..
x10	10	1.50	...	Do. pref.	....	..	..	..	..
7⅜	3⅜	.	...	Distill-Seagram	50	4½	4⅜	4⅜	4⅜
7	7	.	...	Dodge "A" pf.	....	7	..	..	..
2	1½	.	...	Do. (B)	....	2	..	..	..
194	125	10	7.5	Dom. Bank	49	135	135½	133	135½
27	9	2	12.2	Dom. Bridge	688	15⅞	16⅞	14⅞	16⅞
4	4	.	...	Dom. Coal	40	..	4	4	4
22½	12	.	...	Dom. Engineer.	....	13	..	..	..
78	30	5	8.4	Dom. Glass	....	59½	..	..	..
112	85	7	7	Do. pref.	5	102	100	100	100
5½	1	.	...	Dom. Motors	....	1⅜	..	..	..
7½	2	.	...	Dom. Pr. Stubs	....	2	..	..	..
3	1	.	...	Dom. St. & C.B.	560	1	1¼	1	1¼
20⅛	13	1.20†	6.8	Dom. Stores	2158	16¾	17½	16½	16½
5	2	.	...	Dom. Tar & Ch.	....	2½	..	..	..
30	15	.	...	Do. pref.	....	17	..	..	..
63½	39	5	9.7	Dom. Textile	110	51½	51½	50½	50½
105	70	7	7	Do. pref.	....	100	..	..	..
x12	10	.	...	Donnacona	....	..	..	..	..
3	½	.	...	Dryden Paper	20	1¼	1	1	1
4	2	.	...	Duff. Paving	....	2	..	..	..
49	26	.	...	Do. pref.	....	26	..	..	..
20	3	.	...	East. Koot. Pr.	....	3	..	..	..
x97	94½	.	...	Do. pref.	....	..	..	..	..
16	5	.	...	East. Dairies	....	5	..	..	..
9½	9½	.	...	East. Steel	....	9½	..	..	..
74	74	7	9.4	Do. pref.	....	74	..	..	..
‡34	28½	2	...	East. Theatres	....	..	..	..	..
x85	80	7	...	Do. pref.	....	..	..	..	..
1	1	.	...	Easy Washer	....	1	..	..	..
9	4½	75c	12.2	Economic Inv.	35	7½	6⅛	6	6
x15	15	.	...	Edmonton D'y	....	..	..	..	..
x80	78½	6.50	...	Do. pref.	....	..	..	..	..
4	4	.	...	Enam. & Heat.	....	4	..	..	..
19	6	.	...	Eng. Electric	....	8	..	..	..
2½	1½	.	...	Do. (B)	....	2	..	..	..
8	6	.	...	Fam. Players	....	7	..	..	..
10	7½	.	...	Do. Vot. Tr.	....	10	..	..	..
10	7	25c	...	Fanny Farmer	....	8½	..	..	..
29	25	2.40	9.6	Do. pref.	....	25	..	..	..
x83½	75	.	...	Firstbrook Box	....	..	..	..	..
16½	5½	.	...	Ford Motors A	2381	6½	7⅜	6	7
3⅜	1½	.	...	For. Pr. Secs.	55	2	1½	1½	1½
9	4	.	...	Foundation Co.	....	4	..	..	..
1.25	.25	.	...	Fraser Cos.	....	.25	..	..	..
50	50	.	...	Front Brew.	....	50	..	..	..
50	50	.	...	Do. pref.	....	50	..	..	..
x8	5	.	...	Frost Steel	....	..	..	..	..
37	35	.	...	Do. pref.	....	35	..	..	..
2½	⅛	.	...	Gen. St. Wares	100	⅛	⅛	⅛	⅛
84	38	5	7.7	Goodyear Tire.	....	65	..	..	..
95	70	7	7.8	Do. pref.	120	91	90½	88	90
x93½	93½	.	...	Gould Pumps p	....	..	..	..	..
1½	⅛	.	...	Gt. W Saddlery	....	⅛	..	..	..
8	5	.	...	Do. pref.	....	8	..	..	..
21	7	60c	8.6	Gurd, Chas.	5	7	7	7	7
106	100	7	7	Do. pref.	....	100	..	..	..
5	2	.	...	Gypsum, Lime.	580	2	2¼	2	2
7	2	.	...	Ham. Bridge	....	2½	..	..	..
60	44½	.	...	Do. pref.	....	45	..	..	..
10	5½	.	...	Ham. Cot. pf.	60	6	5½	5½	5½
2½	1½	.	...	Ham. U. Theat.	....	2½	..	..	..
53	30	7	...	Do. pref.	....	30	..	..	..
4	½	.	...	Hayes Wheel	200	½	⅜	⅜	⅜
4	4	.	...	Do. pref.	....	4	..	..	..
‡50	50	.	...	Hillcrest Coll.	....	..	..	..	..
‡91	91	.	...	Do. pref.	....	..	..	..	..
3	1	.	...	Hinde & Dauch	....	2½	..	..	..
x75	75	.	...	Holt Renfrew	....	..	..	..	..
‡96½	90	7	...	Do. pref.	....	..	..	..	..
3⅜	½	.	...	Honey Dew	....	..	..	..	..
40	10	.	...	Do. pref.	....	11	..	..	..
4	2	.	...	H. Smith Pap.	100	2½	2½	2½	2½
27	16	.	...	Do. pref.	....	16	..	..	..
21½	15	2	12.5	Humberstn. Sh.	....	16	..	..	..
17¾	6¼	1	12.5	Hunt (A)	20	8	8	8	8
x23½	12½	1	...	Do. (B)	....	..	..	..	..
108	93	8	7.8	Huron & E. Mt.	....	102	..	..	..
18	17	.	...	Do. 20% pd.	....	18	..	..	..
11½	4½	.	...	Hydro Electric	....	6	..	..	..
193	130	10	6.7	Imperial Bank	11	150	150	148	148
11½	7½	50c	5.6	Imperial Oil	6689	8⅞	8⅞	8¾	8⅞
9⅛	6	35c*	4.1	Imperial Tob.	678	8¼	8⅜	8⅜	8⅜
x80	80	8	...	Inter. Coal, p.	....	..	..	..	..
6	6	2a	...	Int. Hyd. E. A.	....	..	..	..	..
98	88½	7	7.1	Inter. Mill. pf.	....	98	..	..	..
80	77	6	7.5	Do. Series A	....	80	..	..	..
13⅛	4	.	...	Inter. Nickel	15865	8½	9⅜	8½	9¼
4	4	.	...	Inter. Paints	....	4	..	..	..
b4⅜	⅛	.	...	Int. Pa. & Pr. A	700	¾	1	¾	¾
b2	⅛	.	...	Do. (B)	1000	⅜	⅜	⅜	⅜
b1½	⅛	.	...	Do. (C)	2200	⅛	⅛	⅛	⅛
b12⅜	1½	.	...	Do. pref.	4900	2	2½	1½	2½
13½	9½	1	8.6	Inter. Pete.	1416	11½	11⅞	11½	11⅞
2¾	2½	.	...	Inter. Power	....	2½	..	..	..
20	20	.	...	Do. pref.	....	20	..	..	..
11	2	.	...	Int. Util. (A)	....	7	..	..	..
4	½	.	...	Do. (B)	120	1½	1½	1½	1½
x40	40	1	...	Jam. Pub. Ser.	....	..	..	..	..
86	79	7	8.9	Do. pref.	....	79	..	..	..
4	2½	.	...	Kelvinator	....	2¾	..	..	..
90	55	7	12.5	Do. pref.	....	56	..	..	..
9½	4	.	...	Lake of Woods	15	5½	6	6	6
40	35	.	...	Do. pref.	....	35	..	..	..
x140	140	8	...	Landed Bank	....	..	..	..	..
40	28	3	7.8	Laura Secord	160	38	38½	38⅜	38½
8	1½	.	...	Lindsay, C. W.	....	2½	..	..	..
60	36	6.50	16.7	Do. pref.	....	39	..	..	..
12⅞	9	80c§	7	Loblaw (A)	184	11¼	11⅞	11¼	11½
12	8	80c§	7.2	Do. (B)	50	11	11¼	11¼	11¼
‡2⅜	2⅜	.	...	Loew's, London	....	..	..	..	..
x25	19	.	...	MacKin. Steel	....	..	..	..	..
x95	90	7	...	Do. pref.	....	..	..	..	..
8	6½	.	...	Manitoba Pr.	....	8	..	..	..
5	2	.	...	Maple Leaf	....	3	..	..	..
20½	8	.	...	Do. pref.	....	15	..	..	..
x38	30	.	...	Marcus Loew's	....	..	..	..	..
60	30	.	...	Do. pref.	....	30	..	..	..
5⅜	2½	.	...	Massey-Harris	1135	2⅝	2¾	2½	2¾
11⅞	7	60c	7.5	McColl Fron.	847	8	8	7½	7⅞
68	58	6	10	Do. pref.	....	60	..	..	..
x45	35	.	...	Mexican L. & P.	....	..	..	..	..
‡25	25	.	...	Mercury Mills	....	..	..	..	..
‡89	58½	.	...	Do. pref.	....	..	..	..	..
x40½	40	.	...	Mitchell, J. S.	....	..	..	..	..
105	105	7	6.7	Do. pref.	....	105	..	..	..
8¾	3	.	...	Mitchell, Robt.	75	4½	4½	4	4
x1	1	.	...	Monarch Knit.	....	..	..	..	..
30	20	.	...	Do. pref.	....	20	..	..	..
75	45	6	12	Montreal Cot.	....	50	..	..	..
75	65	7	10.2	Do. pref.	....	68½	..	..	..
2½	½	.	...	Mont. Exhib.	....	½	..	..	..
11	5	.	...	Mont. Is. Pr.	....	5	..	..	..
39¼	20⅛	1.50	4.8	Mont. L. & Pr.	2012	30⅜	31½	30½	31½
48	40	3+25	7.5	Montreal Loan	33	40	43½	43½	43½
47	40	3.20	7.1	Montreal Tele.	....	45	..	..	..
150	90	9	8.6	Montreal Trams	35	105	110	105	105
11	4½	.	...	Moore Corp.	....	7	..	..	..
93	62	7	8.7	Do. (A)	....	80	..	..	..
97	69	7	7.9	Do. (B)	....	88½	..	..	..
‡10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
‡49	49	.	...	Do. pref.	....	..	..	..	..
2	½	.	...	Muirheads	....	½	..	..	..
9	7	.	...	Do. pref.	....	7	..	..	..
24	9½	1.60	10.3	Nat. Brew.	1471	15¾	16	15¼	16
30	25	1.75	6.2	Do. pref.	299	27½	30	27½	30
½	½	.	...	Nat. Brick	....	..	..	..	..
3	3	.	...	Do. pref.	....	3	..	..	..
18½	16½	2.40	14.5	N. Sew. Pipe A	....	16½	..	..	..
13¼	5¾	80c	13.3	Nat. Steel Car.	300	5¾	6	6	6
255	175	12	5.7	National Tr.	....	210	..	..	..
10	10	.	...	Niag. W. Weav.	....	10	..	..	..
20	16	.	...	Do. pref.	....	16	..	..	..
2.50	1.50	.	...	North Star Oil	....	1.50	..	..	..
4.00	3.00	35c	8.7	Do. pref.	100	4.00	3.00	3.00	3.00
‡25	25	.	...	N.S. Steel, pf.	....	..	..	..	..
150	90	8	7.1	Ogilvie Flour	77	118	114	110	112
112	96	7	6.5	Do. pref.	....	108	..	..	..
9	4	.	...	Ont. Eq. 10% p	17	5	5	5	5
107	94½	6	5.8	Ontario Loan	....	103½	..	..	..
x7	5	.	...	Ont. Silknit	....	..	..	..	..
x16	13	.	...	Ont. Steel	....	..	..	..	..
‡105	105	.	...	Do. pref.	....	..	..	..	..
½	⅛	.	...	Orange Crush	....	⅛	..	..	..
45	18	.	...	Do. (A)	....	18	..	..	..
½	⅛	.	...	Do. (B)	....	½	..	..	..
100	87	6	6.5	Ott. L. H. & P.	50	90	92	88	92
100	89	6.50	7.3	Do. pref.	....	89	..	..	..
10	8	.	...	Ott. Traction	....	10	..	..	..
68½	35	3	6.2	Page Hersey	25	47	48	48	48
b11½	1½	.	...	Paramount	15129	2	2	1⅞	2
20	20	.	...	Paton Mfg.	....	20	..	..	..
x94	92	7	...	Do. pref.	....	..	..	..	..
⅜	⅛	.	...	Pelissiers	....	⅛	..	..	..
x30	25	.	...	Do. pref.	....	..	..	..	..
35	18	3	9.7	Penmans	....	30¾	..	..	..
80	65	6	8	Do. pref.	....	75	..	..	..
19½	8	.	...	Photo Eng.	70	9½	9½	9½	9½
x70	64	7	...	Porto Rico P. p	....	..	..	..	..
b17½	1¾	.	...	Postal Tele. p	....	..	..	..	..
36½	6	.	...	Power Corp.	455	7¼	9	7	9
90	25	6	14.3	Do. pref.	....	42	..	..	..
2	2	.	...	Prairie C. Oil	....	2	..	..	..
17½	5	.	...	Pressed Metals	....	16	..	..	..
5	1	.	...	Price Bros.	50	3½	1	1	1
2	2	.	...	Do. pref.	....	2	..	..	..
29	9½	1.50	11.5	Quebec Power	238	12½	13	12	13
105	105	7	6.7	Real Estate Ln	....	105	..	..	..
2.00	.25	.	...	Regent Knit.	....	.55	..	..	..
10	5¾	.	...	Reliance Grain	....	9	..	..	..
12	6½	1	13.3	River. S. Mills	5	7	7½	7½	7½
12	5	1	18.2	Robinson Cone	....	5½	..	..	..
4	1	.	...	Rogers Majes.	....	1	..	..	..
171	120	10	7.3	Royal Bank	356	131	139	131	139
x84	75	.	...	Ruddy, E. L. p	....	..	..	..	..
33	32½	.	...	Russell Motor	....	32½	..	..	..
70	35	7	17.5	Do. pref.	....	40	..	..	..
4	3	.	...	Sarnia Br. (A)	....	3	..	..	..
1	1	.	...	Do. (B)	....	1	..	..	..
7	3	.	...	Serv. Station	130	3	3½	3	3½
46	20	.	...	Do. pref.	....	25	..	..	..
33	7½	50c	4.8	Shawinigan	3298	10	11	9½	11
20	5	.	...	Sher. Wms.	5	6	6	6	6
80	65	7	10.8	Do. pref.	....	65	..	..	..
17	5	.	...	Simon & Son	....	5½	..	..	..
80	60	.	...	Do. pref.	....	60	..	..	..
55½	12	.	...	Simpson, Ltd.	15	15	15	15	15
x44½	36	.	...	Do. (A)	....	..	..	..	..
9	9	.	...	Do. (B)	....	9	..	..	..
82	62	6	7.5	Simpson, R., p.	....	80	..	..	..
25	10	1	6.7	So. Can. Pr.	50	15	15	14½	15
90	60	6	7.6	Do. pref.	24	77½	80	77	79
1.00	.30	.	...	St. Law. Corp.	520	.40	.35	.30	.30
4	1⅛	.	...	Do. (A)	15	1½	2	2	2
30	9	1.50	5	St. Law. Flour	....	30	..	..	..
99½	70	7	7	Do. pref.	....	99½	..	..	..
11	1¾	.	...	St. Law. Pa. p	150	2	3	2½	2½
3	1½	.	...	St. Pav. & Mat.	....	1½	..	..	..
46	25	.	...	Do. pref.	....	29½	..	..	..
6	4	50c	..	Stand. Chem.	....	6	..	..	..
5½	1½	.	...	Stand. Steel	10	2¼	2¼	2¼	2¼
35	30	3	...	Do. pref.	....	..	..	..	..
24	10¼	1.75	10.3	Steel of Can.	351	16	17½	16½	17
30½	20	1.75	6.5	Do. pref.	9	27	27	26	27
1½	¼	.	...	Sterling Coal	....	1	..	..	..
18	9⅛	1	7.7	Sup. Pete. ord.	10	12½	13	13	13
16½	12	1	8.3	Do. com.	....	12	..	..	..
98	90	7	7.3	Do. pref.	....	95½	..	..	..
300	290	.	...	Sun Life Assur.	....	290	..	..	..
42	35	.	...	Tamblyn	....	40	..	..	..
100½	88	7	7.9	Do. pref.	....	88	..	..	..
18	14½	.	...	Thayers, pfd.	40	14½	16	15½	16
7	3	.	...	Tip Top Tailors	10	4	3	3	3
67	40	7	17.5	Do. pref.	6	55	40	40	40
x22	10	.	...	Tooke Bros.	....	..	..	..	..
x67	48½	.	...	Do. pref.	....	..	..	..	..
17½	7	1	...	Tor. Elevators	....	16	..	..	..
210	125	10	6.2	Tor. Gen. Tr.	....	162	..	..	..
108	85	6	6.1	Toronto Mtge.	....	98½	..	..	..
¼	⅛	.	...	Traymore	....	¼	..	..	..
2¼	2	.	...	Do. pref.	....	2	..	..	..
120	103	7	6.6	Tuckett Tob. p.	10	105	106¼	106¼	106¼
5	2	.	...	Twin City	....	5	..	..	..
b24½	7	.	...	Do. pref.	....	..	..	..	..
37	23	.	...	Do. (notes)	....	23	..	..	..
7	1½	.	...	Union Gas	287	3¼	3⅜	3½	3½
100	85	.	...	Union Trust	....	85	..	..	..
x8	8	.	...	United Fuel	....	..	..	..	..
15	8	.	...	Do. pref.	30	5	9½	6½	9½
24⅜	18	2	10	United Secs.	....	20	..	..	..
11	5	.	...	Viau Biscuit	....	5	..	..	..
75	69	.	...	Do. pref.	....	59	..	..	..
12	4	.	...	Wabasso Cot.	5	6	5¼	5	5¼
8	2½	.	...	Walker-Good.	396	5⅝	5⅝	5½	5⅝
12	9	1	10.7	Do. pref.	1488	9⅜	9⅜	9⅜	9⅜
3⅜	1	.	...	Waterloo Mfg.	....	1¼	..	..	..
80	75	7	...	W. Koot. Pr. p	....	80	..	..	..
8	5½	.	...	West C. Flour.	....	8	..	..	..
60	54	6.50	11.8	Do. pref.	....	55	..	..	..
12½	10	.	...	West. Grocers	....	11½	..	..	..
60½	43	7	11.6	Do. pref.	....	60	..	..	..
x91	85	.	...	W. Steel Pr. p	....	..	..	..	..
23	16½	1	4.9	Weston Bisc.	15	20¼	20¼	20¼	20¼
70	65	7	10.4	Do. pref.	15	67	67	67	67
10	3	.	...	Windsor Hotel	....	3	..	..	..
38	10	.	...	Do. pref.	....	11	..	..	..
8	2	.	...	Winnipeg Elec.	40	3	3	3	3
20	6	.	...	Do. pref.	20	6	8	7½	7½
x46	46	.	...	Woods Mfg. p.	....	..	..	..	..
1	1	.	...	Zimmerknit, c.	....	1	..	..	..

x Quotations for 1931. No sales recorded in 1932 to date.
b New York Quotations.
‡ Quotations for 1930.
† Plus 30c. extra paid Jan. 2, 1932.
* Plus final div. of 17½c paid March 31, 1932.
§ Plus 20c. extra paid. Dec. 1.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
January 3, 1933

Industrial Bonds:	Bid	Asked
Abitibi P. & P. 5% 1953	15.00	16.00
Acadia Sugar 6% 1946	84.00	87.00
Alta. Pac. Grain 6% 1946	68.00	71.00
American Sales Book 6% 1939	105.00	
Arnold Bros. 6% 1947	....	40.00
B. A. Oil 5% 1945	86.00	88.00
Can. Biscuit 6½% 1946	27.00	32.00
Can. Bread 6% 1941	85.00	88.00
Can. Cement 5½% 1947	63.00	67.00
Can. Bakeries 6½% 1945	50.00	60.00
Can. Canners 6% 1950	80.50	84.00
Can. Copper Refin. 6% 1945	98.00	100.00
Can. Cottons 5% 1940	83.00	85.00
Can. Steamship 6% 1941	20.00	22.00
Can. Vickers 6% 1947	62.00	65.00
Cons. Invest. 4½% 1959	42.00	44.00
Cosmos Imp. Mills 6½% 1944	80.00	85.00
Davies, Wm. 6% 1942	87.00	90.00
Debenture & Sec. 4% 1936	53.00	56.00
Dom. Manufacturers 6% 1933	96.00	....
Dom. Tar & Chemical 6% 1949	55.00	58.00
Dom. Telegraph 5½% 1978 "A"	85.50	87.00
Dom. Textile 6% 1949	95.00	100.00
Dom. Woollens 6% 1948	8.00	15.00
Donnacona Paper 5½% 1948	14.00	18.00
Eaton Realty 5% 1949	....	81.00
Famous Players 6% 1948	69.00	71.00
Famous Players 6½% 1948	45.00	48.00
Federal Grain 6% 1949	66.00	69.00
Fraser Co. 6% 1932	10.00	....
Fraser Co. 6% 1950	10.00	
Galt Brass 7½% 1941	....	30.00
Goodyear Cotton 6% 1949	94.00	496.00
Great Lakes Paper 6% 1950	16.00	18.00
Gypsum, Lime & Alab. 5½% 1948	38.00	41.00
Harris Abattoir 6% 1947	87.00	89.00
Howard Smith 5½% 1953	53.00	55.00
Loew's Toronto 6% Serial	99.00	....
London Realty 6½% 1950	45.00	50.00
Maple Leaf Milling 5½% 1949	....	46.00
Massey-Harris 5% 1947	55.00	57.00
McColl-Frontenac 6% 1949	84.00	86.00
McKinnon Industries 6½% 1945	93.00	97.00
Mercury Mills 5½% 1953	....	40.00
Metropolitan Bldg. 7% 1944	88.00	....
Nor. Ont. Bldg. 6½% 1939	68.00	72.00
Price Bros. 6% 1943	27.00	32.00
Richmond Bay 6½% 1947	62.50	68.00
Rolland Paper 5½% 1948	72.50	75.00
Simpsons Ltd. 5½% 1949	50.00	55.00
Simpsons Ltd. 6% 1949	55.00	60.00
Steel of Canada 6% 1940	103.00	106.00
Toronto Carpet 6% 1944	75.00	80.00
United Gas & Fuel 5½% 1948	53.00	56.00
United Grain Growers 5% 1948	70.00	73.00
United Grain Growers 5½% 1949	73.00	75.00
Western Grain 6% 1949	60.00	62.00
Public Utility Bonds:		
Bell Telephone 5% 1955	108.50	111.00
Bell Telephone 5% 1957	108.50	111.00
B. C. Power 5½% 1960	82.00	84.00
B. C. Telephone 5% 1960	91.00	93.00
Calgary Power 5% 1960	76.00	78.00
Can. Northern Pwr. 5% 1953	74.00	78.00
Duke Price Pwr. 6% 1966	47.00	49.00
Elect. Develop. 5% 1933	112.00	116.00
French Natl. Mail SS 6% 1952	119.00	125.00
Gatineau Pwr. 6% 1941 "A"	53.00	56.00
Gatineau Pwr. 5% 1956	75.00	76.00
Inter. Power 6½% 1957	45.00	50.00
Maclaren Quebec 5½% 1961	71.00	73.00
Manitoba Power 5½% 1951	38.00	42.00
Montreal Isl. Pwr. 5½% 1957	99.00	101.00
Montreal LH&P 5% 1951	105.00	107.00
Montreal LH&P 5% 1970	103.00	105.00
Montreal Tram 5% 1941 July	95.00	97.00
Montreal Tram 5% 1955	75.50	77.00
Northwest. Utilities 7% 1938	91.00	95.00
Ottawa Valley Pwr. 5½% 1970	95.50	97.00
Quebec Power 5% 1968	91.00	95.00
Rio Tramways 5% 1935	84.50	86.00
Shawinigan W&P 4½% 1970	65.75	68.00
Shawinigan W&P 6% 1937	79.00	84.00
Shawinigan W&P 5% 1970	76.50	79.00
Southern Can. Pwr. 5% 1955	94.50	97.00
West Kootenay Pwr. 5% 1956	88.00	90.00
Government. Provincial & Railway Bonds:		
C.N.R. 4½% 1951 Dom. Gtd.	97.50	98.00
C.N.R. 4½% 1957 Dom. Gtd.	97.75	98.25
C.N.R. 5% 1969 Dom. Gtd.	104.00	104.75
C.P.R. 4½% 1944	78.00	80.00
C.P.R. 5% 1954	92.00	94.00
Dom. of Can. 5% 1936	102.25	102.75
Dom. of Can. 5% 1941	102.25	102.75
G.T.P. 3% 1962 Dom. Gtd.	77.50	78.50
G.T.P. 4% 1962 Dom. Gtd.	90.00	91.00
Ont. Hydro 3½%, 4%, 5%, 1952 Ont. Gtd.	86.00	86.50
Ont. Hydro 4¾% 1970 Ont. Gtd.	96.00	97.00
Ont. Hydro 4% 1957 Ont. Gtd.	90.50	91.50
Prov. of N. B. 5½% 1950	101.00	102.00
Prov. of Ont. 4½% 1944	100.75	101.50
Prov. of Ont. 5% 1948	101.00	101.50
Prov. of Ont. 5½% 1947	105.25	105.75

Industrial Bonds: Bid Asked

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
January 3, 1933

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.40	.65
Acadia Sugar 6% pfd.	2.75	3.25
Acme Farmers Dairy 7% pfd.	62.00	....
Acme Glove pfd. bonus c.	8.00	10.00
Agnew Surpass 7% pfd.	65.50	69.00
Allens Beach 7% pfd. bonus c.	31.50	....
Allens College 7% pfd. bonus c.	31.50	....
Allens London 7% pfd. bonus c.	31.50	....
Allens St. Clair 7% pfd. bonus c.	31.50	....
Allens St. Cath. 7% pfd. bonus c.	31.50	....
Allens Toronto 7% pfd. bonus c.	15.00	....
Andian Nat. Corp.	20.25	22.75
B.C. Pulp & Paper pfd.	5.00	8.00
Burns pfd. bonus com.	4.25	5.75
Canada & Dom. Sugar	21.50	22.50
Canada Mach. c.	1.50	3.00
Canada Mach. pfd.	12.00	18.00
Canada Pack. c.	10.25	12.50
Canada Packers 7% pfd.	70.00	72.00
Canada Starch 7% pfd.	61.50	68.00
Canada Tea 7% pf.	48.00	53.00
Canada Wire & Cable 6½% pfd. W.W.	72.50	74.25
Can. Industries c. "A"	....	73.00
Can. Industries c. "B"	70.00	73.00
Can. Industries 7% pfd.	114.00	116.00
Can. Westing.	35.50	39.00
Chase, A. W., 4% pfd., bonus c.	....	19.00
Claude Neon Gen. Adv. Units	16.00	19.75
Claude Neon Gen. Adv. c.	.60	1.00
Dom. Foundries & Steel 8% pfd.	....	65.00
Dom. Foundries & Steel c.	....	4.75
Dom. Mfrs. 7% pf.	....	69.00
Dunlop Tire 7% pfd.	40.00	43.00
Eastern Dairies Ltd. 7% pfd.	....	61.50
Edmonton Stockyards Units	....	51.00
Federal Grain 6½% pfd.	20.00	25.00
Gen. Steel Wares pfd.	5.00	7.00
Goderich Elevator & Transit	7.00	8.00
Greening Wire 7% pfd.	....	63.00
Guardian Realty 7% pfd.	15.00	23.50
Guelph Carpet 6½% pfd. bonus	66.50	72.00
Guelph Carpet c.	4.25	....
Inter City Bak. c.	....	18.00
Inter. Proprietaries "A"	24.00	25.00
Langleys Ltd., 7% pfd.	26.50	35.00
Loew's London c.	.50	1.00
Loew's London 7% pfd.	3.25	....
Maple Leaf Gdns. 7% pfd. bonus.	2.10	2.75
Massey-Harris 5% pfd.	12.00	14.00
Mount Royal Hotel c.	.25	.50
Mount Royal Hotel 6% pfd.	....	3.75
Nat. Grocers c.	.40	.75
National Grocers 7% 2nd pfd.	36.00	40.00
National Sewer Pipe c.	6.00	....
Neilson, Wm., c.	4.25	....
Provincial Paper 7% pfd.	34.00	40.00
Reliance Grain 6½% pfd.	....	55.00
Rolland Paper 6% pfd. W.W.	31.00	33.00
Standard Clay Products c.	12.00	16.00
Standard Fuel 6½% pfd. bonus	56.25	58.00

Industrial Stocks:	Bid	Asked
Supertest Petroleum "B"	16.00	20.00
Toronto Brick 7% pfd.	....	40.00
Toronto Carpet 8% pfd.	....	86.00
Toronto Elevators 7% pfd.	74.25	76.00
Western Grain 6½% pfd. bonus	....	22.00
Willards Choc. pf.	....	21.00
Insurance Stocks:		
Br. Amer. Assce.	30.50	40.00
Canada Life Ass.	400.00	425.00
Can. Fire Ins.	54.00	56.00
Confederation Life 20% pd.	130.00	140.00
Continental Life 20% pd.	39.00	50.00
Crown Life Ins.	90.00	....
Dom. Fire Ins.	80.00	....
Dom. Life 50% pd.	....	275.00
Dom. of Can. Gen. Ins.	105.00	125.00
Excelsior Life 30% pd.	81.00	86.00
Fidelity Ins. of Can.	....	69.00
Great West Life Assce.	230.00	240.00
Guar. Co. of N.A.	200.00	235.00
Halifax Fire Ins.	8.75	10.00
Imp. Life Assce.	245.00	....
Mfrs. Life Ins.	229.00	240.00
Monarch Life 10% pd.	17.00	....
National Life 25% pd.	65.00	70.00
Saskatchewan Life 10% pd.	11.00	15.00
Sovereign Life 25% pd.	16.50	....
Sun Life Assur.	260.00	285.00
Western Assur. c.	14.25	18.00
Western Life 20% pd.	7.75	....
Trust & Loan Stocks:		
Can. Gen. Inv. Ltd.	2.95	3.15
Chartered Trust	62.00	65.00
Debenture & Sec. 5% pfd.	....	17.00
Eastern Can. Sav. & Loan	108.00	115.00
Eastern Trust	140.00	145.00
Guelph & Ont. Inv. par $50	45.50	50.00
Investment Foundation Units	17.00	20.00
Lambton Loan & Savings	51.50	57.00
London & Western Trust	83.25	85.00
Mtge. Disc. pfd.	2.25	3.00
Mutual Finance 8% pfd.	....	2.30
Premier Trust	85.00	90.00
Provincial Bank	95.00	100.00
Security Loan & Savings	93.50	103.00
Sherbrooke Trust	100.50	110.00
Sterling Trust	52.50	57.00
Traders Fin. c.	....	.75
Traders Finance 7% "A" pfd.	18.25	20.00
Trusts & Guar.	53.25	56.50
Victoria Trust & Savings	170.50	....
Waterloo Trust & Savings	95.00	120.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	86.50	88.50
Calgary Power 6% pfd.	62.00	64.00
Can. Light & Pwr. com.	16.00	18.00
Can. West. Nat. Gas LH&P c.	21.00	24.00
Can. West. Nat. Gas LH&P 6% pfd.	68.50	70.00
Great Lakes Pwr. 7% pfd.	....	64.00
Maritime Tel. & Tel. c.	8.75	10.25
Maritime Tel. & Tel. 7% pfd.	9.75	11.25
N B Telephone c.	6.00	7.50
Nova Scotia L&P 6% pfd.	70.00	75.00
Recent London Quotations:		
Brewers & Distillers		3s. 9d.
Can. & For. sec.		3s. 9d.
Can. West. Lumber		1s.
Hudson's Bay		17s. 6d.
Do., 5% pref.		72s. 6d.
Internat. Holdings		$1½
Nfld. Pr. & Pap. deb. stock "B"		88
Trust & Loan of Can.		1s. 9d.

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Ajax Oil & Gas	12c	3c	Jan. 16	Dec. 31
B.C. Elec. Rly. pref.	5%	2½%	Jan. 15	Jan. 5
Bell Telephone	$7	$1.75	Jan. 16	Dec. 23
B. C. Power "A"	$2	50c	Jan. 16	Dec. 31
Brantford Cordage pfd.	8%	2%	Jan. 15	Dec. 20
Canada Northern Power	80c	20c	Jan. 25	Dec. 31
Do., pref.	7%	1¾%	Jan 16	Dec 31
Can Light & Power	$1	50c	Jan. 16	Dec 31
Canadian Car, pref.	$1.75	44c	Jan. 10	Dec. 27
Coniagas Mines	...	12½c	Jan. 10	Dec. 30
Canadian Dredge		$1	Feb. 1	Jan. 16
Do., pref.	7%	1¾%	Feb. 1	Jan. 16
Chartered Trust	$4	$1	Jan. 3	Dec. 24
Crescent Creamery, pfd.	7%	1¾%	Jan. 16	Dec. 31
Canada Bud Brew.	$1	25c	Jan. 16	Dec. 31
Can. Fairbanks, pref.	6%	1½%	Jan. 14	Dec. 31
Canada Dry	$1	25c	Jan. 16	Jan. 3
Can. Bronze	$1.25	31¼c	Feb. 1	Jan. 20
Do., pref.	7%	1¾%	Feb. 1	Jan. 20
Can. Wineries	20c	10c	Jan. 15	Dec. 31
Can. Industries pref.	$7	$1.75	Jan. 16	Dec. 31
Do., com. "A"	$3.50	87½c	Jan. 31	Dec. 31
Do., com. "B"	$3.50	87½c	Jan. 31	Dec. 31
Dominion Bridge	$2	50c	Feb. 15	Jan. 31
Do.	...	50c	May 15	Apr. 29
Dome Mines	$1	25c	Jan. 20	Dec. 31
Do., extra	...	10c	Jan. 20	Dec. 31
Dom. Textile pref.	7%	1¾%	Jan. 16	Dec. 31
Eastern Dairies, pfd.	7%	1¾%	Jan. 16	Dec. 31
Eastern Theatres pfd.	7%	1¾%	Jan. 31	Dec. 31
Eastern Steel pref.	7%	1¾%	Jan. 13	Dec. 19
Guarantee of N. America	$6	$1.50	Jan. 16	Dec. 31
Do., extra	$10	$2.50	Jan. 16	Dec. 31
Inter. Nickel, pref.	7%	1¾%	Feb. 1	Jan. 3
Imperial Bank	10%	2½%	Feb. 1	Dec. 31
Investment Foundation, pfd.	3%	38c	Jan. 16	Dec. 31
Do., on arrears	...	12c	Jan. 16	Dec. 31
Inter. Hydro-Elec. pfd.	$3.50	87½c	Jan. 16	Dec. 28
Inter. Utilities pfd.	$7	$1.75	Feb. 1	Jan. 16
Do., pfd.	$3.50	87½c	Feb. 1	Jan. 16
Do., pfd.	$1.75	43¾c	Jan. 16	Dec. 31
Manufacturers Life	$10	$5	Jan. 3	Dec. 31
Montreal L. H. & Pr.	$1.50	38c	Jan. 31	Dec. 31
Moore Corp. "A" pref.	7%	1¾%	Jan. 16	Jan. 3
Do., "B" pref.	7%	1¾%	Jan. 16	Jan. 3
Montreal Telegraph	$3.20	80c	Jan. 16	Dec. 31
McColl-Frontenac pref.	$6	$1.50	Jan. 14	Dec. 31
Montreal Tramways	9%	2¼%	Jan. 14	Jan. 5
National Biscuit	$2.80	70c	Jan. 14	Dec. 16
Northern Ont. Power	$2	50c	Jan 25	Dec. 31
Do., pref.	6%	1½%	Jan. 25	Dec. 31
N.B. Telephone c.	50c	12½c	Jan. 15	Dec. 31
Penmans	$3	75c	Feb. 15	Feb. 6
Do., pref.	6%	1½%	Feb. 1	Jan. 21
Piggly Wiggly, pfd.	$7	$3.50	Jan. 14	Dec. 31
Power Corp. pref.	$6	$1.50	Jan. 16	Dec. 31
Do., 2nd pref.	$3	75c	Jan. 16	Dec. 31
Russell Motor pfd.	7%	1¾%	Feb. 1	Dec. 31
Sterling Trusts	$4	$2	Dec. 31	Dec. 20
Southern Can Power pref.	6%	1½%	Jan. 16	Dec. 20
Southern Can Power c.	$1	25c	Feb. 15	Jan. 31
Shawinigan W. & Pr.	50c	13c	Feb. 15	Jan. 21
Steel of Canada pfd.	$1.75	43¾c	Feb. 1	Jan. 7
Do., com.	$1.75	43¾c	Feb. 1	Jan. 7
Teck Hughes	60c	15c	Feb. 1	Jan. 17
Trusts & Guarantee	$3	$1.50	Jan. 3	Dec. 28
Toronto Elevators, pfd.	7%	1¾%	Jan. 15	Jan. 3
Tuckett Tobacco, pfd.	7%	1¾%	Jan. 14	Dec. 31
United Securities	$2	50c	Jan. 16	Dec. 31
Western Grocers pref.	7%	1¾%	Jan. 15	Dec. 20

Dividends Passed or Deferred:

Consolidated Sand. pref., Feb. 15, to be deferred. Last paid 50c. Nov. 15, 1932.

Standard Paving, pref., Feb. 15, to be deferred. Last paid 50c. Nov. 15, 1932.

Russell Motor Car, com., Feb. 1 passed. Last paid 25c, Nov. 1, 1932.

Societe de Prets & P. ord. Jan. 3, passed.

Thayers, 1st pfd. Jan. 3, deferred. Last paid 87½c. Oct. 1, 1932.

Union Trunst, Jan. 3, passed.

Dividend Rate Reduced:

Canada Dry, Jan. 16, reduced from 30c to 25c quarterly.

N.B. Telephone, c. Jan. 15, reduced from 15c to 12½c quarterly.

Montreal Tramways 2¼% Jan. 14, reduced from 2½% quarterly.

Trusts & Guarantee, $1.50 Jan. 3. Reduced from $5 to $3 per annum.

Extra Dividends:

Dome Mines, 10c, Jan. 20.

Guarantee of N. America, $2.50 Jan. 16.

Winnipeg Stock Exchange

(Transactions for week to Dec. 31)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Dec. 31
80c	9.7	Brit. Amer. Oil	35	8½	8½	8½
..	..	Bobjo	1000	.08¼	.08¼	.08¼
..	..	Can. Pac. Rly.	54	16	15¾	16
..	..	Central Manitoba	500	.05	.05	.05
..	..	Central Patricia	500	.19½	.19½	.19½
7	11.7	Cres. Creamery pfd.	5	60	60	60
..	..	Eldorado	25	1.45	1.45	1.45
..	..	Ford "A"	25	6	6	6
..	..	Monarch Life	1	15	15	15
..	..	Ritchie	1000	.01½	.01½	.01½
..	..	San Antonio	1114	.85	.70	.85
60c	16	Teck Hughes	50	3.75	3.75	3.75
..	..	Western Breweries	100	1	1	1

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Lumb. pf.	..	79
Beaver Fire	..	100
City Dairy 8% pf.	..	80
Can. Fire Insur.	55	..
Great West Life	225	240
Pelissiers pref.	10	..
Nor. Can. Mtg. pf.	..	15
Northern Trust	..	25
Reliance Grain pf.	..	55
Sov. Life 25% pd.	12½c	..

	Bid	Ask
Traders Bldg. Assn.	70	75
United Grain	10	11
West. St. Prod., pf.	..	30
Can. Amer. Tr. shs.	..	2¾
Fundamental Series "A"	..	3½
Fundamental Series "B"	..	3¼
Grouped Inc. shs.	3.25	3.60

*Stocks more active on other exchanges not included.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.

January 3, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Apr.	86.00	5.48
Alberta	5	1 July 1943	1 July	93.00	5.90
Alberta	6	1 Mar., 1947	1 Mar.	99.75	6.03
*British Columbia	4½	1 Oct., 1953	1 Apr.	87.00	5.55
*British Columbia	5	15 Jan., 1948	15 Jan.	96.00	5.37
British Columbia	6	15 Feb., 1947	15 Feb.	100.50	5.95
Manitoba	4	1 July 1947	1 July	81.50	5.92
*Manitoba	5	2 Dec., 1959	2 June	94.50	5.39
Manitoba	6	1 Apr., 1947	1 Apr.	99.00	6.10
*New Brunswick	4	1 June 1948	1 June	91.30	4.80
*New Brunswick	4½	15 June 1936	15 June	100.00	4.75
New Brunswick	5½	1 May 1950	1 May	102.00	5.32
*Nova Scotia	4½	15 Nov., 1948	15 May	97.75	4.70
Nova Scotia	5	1 May 1943	1 May	100.50	4.94
*Ontario	4½	1 Sept., 1944	1 Mar.	102.00	4.28
Ontario	5	15 Oct., 1948	15 Apr.	101.75	4.84
Ontario	5½	1 Feb., 1947	1 Feb.	106.00	4.91
P. E. I.	4	1 Apr., 1939	1 Apr.	93.20	5.25
P. E. I.	6	1 May, 1947	1 May	107.55	5.25
*Quebec	4½	1 May, 1961	1 May	100.50	4.22
Saskatchewan	4½	1 Oct., 1944	1 Apr.	85.00	6.30
Saskatchewan	5	1 Oct., 1950	1 Apr.	88.00	6.10
Saskatchewan	6	15 Mar., 1952	15 Mar.	96.00	6.36
*Newfoundland	5	31 Dec., 1952	30 June	58.00	9.84
*Newfoundland	5½	1 July, 1939	1 July	62.00	14.80
*Newfoundland	6½	30 June, 1936	30 June	72.00	....
Cities					
*Montreal	5	1 Sept., 1963	1 Mar.	106.55	4.60
*Toronto	4½	1 Jan., 1955	1 June	98.60	4.60
*Vancouver	5	15 Jan., 1970	15 Jan.	88.50	5.75
Winnipeg	5	1 Mar., 1944	1 Mar.	91.75	6.00
*Edmonton	5½	1 Apr., 1947	1 Apr.	86.50	7.00
Calgary	5	1 Jan., 1943	1 July	85.14	7.10
Halifax	6	1 July, 1951	1 July	108.80	5.25
St. John	5	15 Dec., 1950	15 June	97.10	5.25
Regina	4½	1 July, 1950	1 July	74.20	7.10
Victoria	5	21 July, 1945	21 Jan.	90.75	6.10
Quebec	5	1 June, 1948	1 June	101.00	4.90

* Payable in New York.

Listed Bond Quotations

Week Ending January 2

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1932 High	Low
Abitibi, 1st mtg.§	5	1953	...					
Asbestos	5	1942	...	14	...	...	46	19½
Asbestos, 1st mtge.	6	1941	...	21	...	...	65¼	49
Do., Gen. mtge.	6	1956	...	5½	...	...	*20	14
Can. Cons. Rub.	6	1946	...	...	...	...	*9	...
Can. Cottons	5	1940	...	...	...	...	*69¾	...
Can. Forgings	6	1942	...	...	...	...	*91	90
Can. Locomotive	6	1951	...	...	...	...	*100	...
Can. Pr. (Laur.)	5½	1958	...	...	...	...	‡96	...
Do. (Way. Ser.)	5½	1958	...	...	...	...	7	5
Can. S.S. Debs.	5	1943	...	...	...	...	*28½	5½
Cedars Rapids	5	1953	5.52	...	...	...	83¼	...
Dom. Canners	6	1940	...	...	...	...	101	95
Dominion Coal	5	1940	...	...	...	...	‡103	...
McNish	6	1948	...	30	30½	...	50	31
Mex. L. & Pr.	5	1940	...	†2.00	...	...	3.50	1.00
Mtl. L.H.&Pr. debs.	3	1989	...	48	...	...	*73½	70½
Mont. Tr. 1st mtg.§	5	1941	5.80	39¾	40	39¾	44	35
Mont. Trams. "A"§	5	1955	7.19	95	...	...	98½	90¾
Do., G. & Ref. "B"	5	1955	7.08	...	...	...	85½	69½
Do., "C"	4½	1955	6.43	...	...	...	79¾	78¾
Do., "D"	5	1955	7.08	...	...	...	77¼	77
N.S. Steel	5	1959	...	†78	...	...	81	78
Ontario Steel	6	1943	5.94	...	...	...	*62½	59
Porto R. Pr.	5	1936	...	...	...	...	100½	...
Steel of Canada§	6	1940	...	102	...	...	*93	88
Wayagamack	6	1951	...	...	...	...	102¼	100
Winnipeg Elec.§	5	1935	...	...	...	...	*75	45
Toronto			...	...	...	...	86	...
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	102½	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	1.87	....	....	....	110.00	102.00
Victory Loan	5½	1933	3.76	101.20	....	....	101.55	100.25
Do.	5½	1934	4.36	102.25	102.15	....	102.40	99.25
Do.	5½	1937	3.57	108.75	....	....	109.75	104.00
Do., refund	4½	1940	4.82	98.85	....	....	98.25	91.50
Do., refund	5	1943	4.62	102.65	....	....	102.50	95.33
Do., refund	4½	1944	4.77	98.00	97.50	....	97.50	89.50
Do., refund	4½	1946	4.86	97.75	....	....	96.25	91.50
Conversion Loan	4½	1956	4.76	95.75	96.25	....	96.25	88.25
Do.	4½	1957	4.77	95.75	....	....	96.00	88.50
Do.	4½	1958	4.66	97.00	....	....	99.37	88.50
Do.	4½	1959	4.66	98.00	97.50	96.90	99.50	88.75
Nat. Service Loan	5	1936	4.44	102.15	102.00	....	102.25	96.25
Do.	5	1941	4.78	102.25	....	....	102.25	95.00

† Latest ask. ‡ Quotations for 1930. * For 1931.
§ Payable in New York. None recorded in 1932 to date.

Loblaw Groceterias Sales Total $7,498,032

Sales by Loblaw Groceterias in the four weeks period ended December 10 are reported at $1,139,468 with net profit of $75,140. This compares with sales of $1,112,317 and net profit of $60,302 in the immediately preceding four weeks period and sales of $1,252,215 and net profit of $97,359 in the corresponding period of 1931.

Sales for the first 28 weeks of the current fiscal year totalled $7,498,032 as compared with $8,059,534 in the same period of 1931 while net profits totalled $441,668 as compared with $508,928 in 1931.

N. B. Fox Ranching Active

Unusual activity in fox ranching is reported in all parts of the Province of New Brunswick, a stimulus having been given the industry by the recent improvement in demand and prices for black foxes as well as other varieties.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

NOTICES

The Canadian Bank of Commerce

The annual meeting of the shareholders of this Bank for the election of Directors and for other business will be held at its banking house, No. 25 King Street, West, Toronto, on Tuesday, the 10th day of January next. The chair will be taken at 12 o'clock noon.

By order of the Board.

S. H. LOGAN,
General Manager.

Toronto, 18th November, 1932.

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, 25th January, 1933, at twelve o'clock noon.

By Order of the Board.

C. A. BOGERT,
General Manager.

Toronto, 15th December, 1932.

DIVIDEND NOTICES

THE Teck-Hughes Gold Mines LIMITED

(No Personal Liability)

KIRKLAND LAKE, ONT., CANADA

The Directors of this Company have declared a dividend of 15c per share, payable on February 1, 1933, to shareholders of record at the close of business January 17, 1933.

(Sgd.) K. P. EMMONS,
Treasurer.

Highland Dairy, Limited

PREFERENCE DIVIDEND NO. 12

Notice is hereby given that a Dividend of $1.75 per share for the three-month period ending December 31, 1932, being at the rate of 7% per annum, has been declared on the outstanding Preference Shares of the Company, payable on January 2nd, 1933, to shareholders of record on the register at the close of business on the 26th day of December, 1932.

By order of the Board.

M. MAYNE KENNEDY,
Secretary.

Toronto, Ontario, December 22, 1932.

Tip Top Tailors Limited

NOTICE IS HEREBY GIVEN that a dividend of 1¾% on the 7% cumulative sinking fund redeemable convertible preferred shares of the Company for the quarter ending December 31st, 1932, has been declared payable on and after January 1st, 1933, to holders of preferred shares of record at the close of business December 24th, 1932. The transfer books will not be closed.

Dated at Toronto the 15th day of December, 1932.

H. P. MACKECHNIE,
Treasurer.

Montreal Tramways Company

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of Two Dollars and Twenty-five cents ($2.25) per share, for the quarter ending December 31st, 1932, has been declared upon the paid in Capital Stock of the Company, to shareholders of record on Thursday, the 5th day of January, 1933, at 4 o'clock p.m. and payable on Saturday the 14th day of January, 1933.

By order of the Board,

PATRICK DUBEE,
Secretary-Treasurer.

December 28th, 1932.

PENMANS LIMITED

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of January, 1933.

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of February to Shareholders of record of the 21st day of January, 1933.

On the Common Stock, Seventy-five Cents (75c.) per share, payable on the 15th day of February to Shareholders of record of the 6th day of February, 1933.

By Order of the Board.

C. B. Robinson,
Secretary-Treasurer.

Montreal,
December 29, 1932.

Canadian Bronze Company Limited

Dividend Notice.

THE quarterly Dividend of 1¾% on the PREFERRED STOCK of the CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of February, 1933, to Stockholders of record as of the 20th day of January, 1933.

Also a quarterly Dividend of Thirty-one and one-quarter (31¼c) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending January 31st, 1933. Payable the 1st day of February, 1933, to Stockholders of record as of the 20th day of January, 1933.

By Order of the Board,

W. C. PAQUETTE,
Secretary.

Montreal, P.Q.,
December 30th, 1932.

Canadian Dredge & Dock Co. Limited

Common Stock Dividend No. 14

Notice is hereby given that a dividend of One Dollar ($1.00) per share has been declared on the Common Stock of Canadian Dredge & Dock Co. Limited, for the period ending January 31st, 1933, payable February 1st, 1933, to Shareholders of record at the close of business on January 16th, 1933.

By Order of the Board,

T. C. Luke,
Secretary.

Midland, Ontario.
December 9th, 1932.

Canadian Dredge & Dock Co. Limited

Preferred Dividend No. 20

Notice is hereby given that the quarterly dividend of one and three-quarter per cent (1¾%), being at the rate of 7% per annum, has been declared on the outstanding 7% Cumulative Sinking Fund Convertible Preferred Shares of Canadian Dredge & Dock Co. Limited, for the quarter ending January 31st, 1933, payable February 1st, 1933, to Shareholders of record at the close of business on January 16th, 1933.

By Order of the Board,

T. C. Luke,
Secretary.

Midland, Ontario.
December 9th, 1932.

C. N. R. SYSTEM'S SAVINGS OFFSET DROP IN REVENUE

S. J. Hungerford Reviews Current Railway Situation

ECONOMIES MARKED

Severe Curtailment of Expenses Necessary to Cope With Sharp Decline in Earnings

From Our Own Correspondent

MONTREAL.—For every dollar which the Canadian National Railways received in 1928, it received in 1932 only 52 cents, according to S. J. Hungerford, acting president of the System. In the face of a decline of $38,000,000 in gross revenues during 1932, the management was able to show an improvement in net revenue from operating account of nearly $6,000,000 as compared with 1931.

In reviewing the railway situation at the beginning of this year, Mr. Hungerford pointed out that since 1928, when an all-time peak in railway revenues in this country was touched, the trend of earnings has been steadily downward. In 1929 Canadian National Railways gross revenues on the all-inclusive system showed a decline of $13,000,000 from 1928; in 1930 the decline from the previous year amounted to $48,000,000; 1931 saw a decline of $50,000,000 from 1930 and to the end of 1932 the decline was about $38,000,000 as compared with 1931. The total decline in receipts in 1932 compared with 1928 amounted to approximately $150,000,000, or 48 per cent.

Slash in Expenses

In order to cope with this extraordinary situation, the Canadian National has had to make severe reductions in expenses through the elimination of unprofitable services, closing of station and office buildings, reduction of staffs, laying off of men, cutting of wages and salaries, etc. At present, says Mr. Hungerford, the staff is approximately 31 per cent below the 1929 level. The total payroll, on the other hand, is 39 per cent below the 1929 figure.

During 1929 the average number of employees was 111,383 to whom compensation of $177,037,682 was paid. For the past year the average number of employees was 77,000 and compensation $108,000,000.

Reduce Passenger Service

The elimination of a great many unprofitable passenger services has been brought about by a severe curtailment of passenger train miles. The reduction in this direction from the 1929 standard follows:

	Passenger train miles	Passenger train car miles
Reduction in 1930	480,863	8,069,938
Further reduction, 1931	3,021,779	26,024,207
Further reduction, 1932	4,775,156	23,804,709
Total reduc. from 1929	8,277,798	57,898,854

continued

Offset Revenue Loss

In 1932 for every dollar decrease in revenue from 1931, the Canadian National System reduced its expenses by $1.13. There should also be taken into consideration the heavy reductions in expenses made during the preceding years. Mr. Hungerford points out that in 1929 operating expenses were reduced by $751,000 as compared with 1928 and in 1930, by which time it was evident that the depression was not to be short-lived, operating expenses were reduced by $27,000,000 from those of the previous years; in 1931 there was a reduction of $29,000,000 from 1930 and in 1932 a further reduction of $43,000,000 from the 1931 figures, the operating expenses of 1932 being $100,000,000 under 1928. The reduction of expenses on the Canadian National Railways by $43,000,000 in 1932, with a decline in revenue of $38,000,000 in the same period is somewhat striking.

Hold Operating Efficiency

In discussing further the manner in which the Canadian National has met the situation, Mr. Hungerford has the following to say:

> Despite the drastic economies put into effect, the operating efficiency of the Canadian National System has been maintained at a level consistently in accord with better times and in accord with that of other large railway systems on the North American Continent. In general, the indices of operating efficiency, by which the larger railway systems gauge their performance, show few declines on the Canadian National and generally show improvement. Some of the more important indices follow:

	1932 (10 months)	1929	1923
Gross tons per freight train	1,471	1,474	1,311
Net tons per freight train	624	642	596
Gross ton miles per freight train hour	23,861	19,775	15,445
Freight train miles per freight train hour (speed)	15.9	13.4	11.8
Fuel consumed per 1,000 gross ton miles (pounds)	115	125	146
Fuel consumed per passenger car mile (pounds)	13.0	13.3	15.1

> The effect of depression on the ancillary activities of the Canadian National System has paralleled that on the railway proper. Express and telegraph services, hotels and the numerous other activities of the system have suffered shrinkages in income substantially equivalent to those of the railway. Drastic measures have been necessary and drastic steps have been taken. The reductions in expenses in the subsidiary services, 1932 from 1929, are as follows: Express service, 31 per cent; Telegraphs, 24 per cent; Hotels, 42 per cent; other subsidiary companies, 32 per cent.

Cut Capital Outlay

Severe curtailment of capital expenditures has been made. Following consolidation, expenditure of large sums on capital account was necessary for improvements in line and equipment. Many of the properties now part of the National System were, prior to consolidation, in poor condition and others had hardly emerged from the construction stage. Newly developing districts required railway facilities and large expenditure. To provide advantage of consolidation was to be secured. At present, however, only capital expenditure which cannot be avoided are undertaken. Net capital expenditures during the last few years were: 1929, $91,550,000; 1930, $66,575,000; 1931, $34,287,000; and for 1932 the figures will be approximately $2,100,000.

Exchange Heavy Item

An extraordinary item of expense which has militated against a more favorable showing in 1932 is the premium on United States funds. This charge was made heavier in 1932 than in 1931, and while there were some compensating advantages to the company from the situation affecting sterling, the net loss to the company during the year through the foreign exchange situation was $4,500,000.

SMOKING CAUSES LARGE FIRE LOSS IN RETAIL STORES

(Continued from page 9)

This is the outstanding feature of the following tabulation:

Loss Analysis in Retail Mercantile Fires*

Amount of Loss	Sprinklered Fires %	Unsprinkl'd Fires %	Total Fires %
Under $5,000	84.2	15.4	54.6
Over $5,000	15.4	82.8	44.4
No data	.4	1.8	1.0
	100.0	100.0	100.0

*Experience as tabulated by the National Fire Protection Association.

Sprinkler Action Analyzed

An analysis of the effect of sprinklers in fires in which such equipment actually came into operation showed that in 98 per cent of such cases sprinklers operated satisfactorily. In 84.3 per cent of the cases they extinguished the fire, and in 13.7 per cent they held it in check, these two making up the 98 per cent.

The record also shows that in sprinklered fires, in 51.9 per cent of all such cases only one sprinkler head opened, two sprinkler heads opened in 21.5 per cent of all such cases and three heads opened in 10.5 per cent of these fires. This is indicative of how action of sprinklers not only extinguishes fires, but how the automatic operation early in the conflagration prevents its spread and consequently, the damage done.

The following table gives a clear picture of analyses of sprinkler action in mercantile fires:

Sprinkler Records in Retail Mercantile Fires*

Effect of Sprinklers	No. of Fires	Per Cent
Extinguished Fire	944	84.3
Held Fire in Check	154	13.7
Total satisfactory	1,098	98.0
Unsatisfactory	22	2.0
Total	1,120	100.0

Sprinkler Heads Opening

Number Opening	No. of Fires	Per Cent
1	582	51.9
2	240	21.5
3	118	10.5
4	61	5.5
5	24	2.1
6-9	40	3.6
10-25	38	3.4
26-50	6	.5
Over 50	8	.7
No data	3	.3
Total	11,20	100.0

*For 1,120 fires in which sprinklers came into operation, as compiled by the National Fire Protection Association.

Analysis of causes of fires in stores of special types provide some interesting features. In dry goods stores, electric irons left on caused 11.2 per cent of fires, in grocery stores coffee roasting was responsible for 11.1 per cent of the fires recorded. Peanut roasting and gasoline explosions were also hazards in grocery stores. General stores suffered fires from poor housekeeping, inferior wiring and incendiarism. It is estimated in the report that at least a third of all mercantile fire losses originate in basement and stock rooms which are often neglected spots in such establishments.

DIFFICULTIES SEEN IN EXCHANGE CONTROL

(Continued from page 9)

established would indicate that this policy is the one which the authorities operating that fund have adopted.

Some Control Not Impossible

While I have laid some stress on the difficulties and dangers of attempting rate control, I do not consider such control (within limits) impossible. To eliminate the day-to-day fluctuations which at present are a serious check on our international trade would be a distinct benefit to this country. I feel, however, that the following points should be emphasized:

That to attempt to fight a definite trend in rates must result in a serious increase or decrease in a central bank's foreign balance.

That to restore an adequate or excessive balance to normal proportions will not only be very costly but will also completely upset the stabilized rate unless the restoration can be done by reversing the flow of trade.

That drastic remedies to reverse the trade flow may bring about changes in Canada's domestic price level more injurious than the exchange instability which it has sought to avoid.

That under the circumstances the best policy to follow is to concentrate on the early detection of any definite change in the trend of trade values, and

That when detected the attempt to stabilize rates should be discontinued until the new natural level is ascertained.

In my opinion the funds for any effort at stabilization, since this would be made in the national interest, should be furnished and any losses which may be incurred should be borne by the government and not by the central bank or by any other organization. In fact losses if they are incurred might be so heavy as to seriously deplete the resources of the bank or any private institution.

In conclusion I would point out that the chartered banks are adequately equipped and organized to carry out on behalf of the Dominion Government any policy of stabilization which it decides to adopt and that to set up a central bank mainly for that purpose is an extravagant duplication of existing machinery. If, in addition, the creation of the central bank entails a serious weakening of the present commercial banking structure of the country (which in a later article I propose to show that it will), the formation of such an institution is even less justified.

Editor's Note.—This is the fifth Article of a series by a Canadian banker written for The Financial Post to give the viewpoint of Canadian chartered banks on the question of a central bank for Canada. The sixth article will follow in a subsequent issue.

STATE SOCIALISM BARS RECOVERY IN CANADA

(Continued from page 9)

who actually boast that their contribution to the present depression is that they have maintained their prices. They have paralyzed all buying power. The man on the lower price level cannot reach the goods of the man on the higher level.

Too Much Socialism

There is another malignant factor. As a result of the war we have had a new outlook upon the State's functions. And the State has had a new outlook upon us and upon industry. I can remember when men looked askance at combines and realized their effect. When I was on the tariff board I had some fruit growers come before me. I found that the legislature of the Province of British Columbia had passed a marketing act by which a fruit grower could be put in jail and fined a large sum of money if he sold his own fruit to the people of a neighboring province. That is a cartel, a combination. How many other forms they take. We all know of the history of the wheat pools and we think of them as a purely co-operative undertaking. The governments went behind the pools, went behind the purchase of their elevators, went behind them in many a way. They said "we have the governments behind us, so we must be right." They went on in production that was uneconomic and they went on to trouble, spurred by government encouragement. We have had an extension of government administration, not in Canada alone, but throughout the world. I wonder if I may give you just a few key figures because they all affect our national bookkeeping. But I want to show you the extension of this thing and to show why we have not a local crisis but a world crisis.

Take the comparison between the years 1913 and 1928. The average income of the Englishman increased by 65 per cent and the government's budget by 346 per cent. The income of the Frenchman dropped 6 per cent but his government increased by 82 per cent the expenditures. Germany increased by 43 per cent its income and the government increased by 142 per cent its expenditure. Italy decreased by 3 per cent its income and increased by 145 per cent its expenditure. The United States has had a marvellous increase in income of 121 per cent and an increase of 458 per cent in expenditure. All that meant taxation, meant an increase of debt.

High Government Debts

I wonder if I might just look for a moment at our debt. In 1896 the debt of our nine provinces was $51,000,000, in 1916 it was $240,000,000 and in 1930 it was $1,140,000,000. Someone I know here is quietly thinking: "But our debt in the Province of Ontario and the other provinces is made up of profit making public utilities, or at least of public utilities that pay their way." It doesn't show in the tax returns. Those nine provinces in 1916 imposed taxes of $15,000,000 on the people; in 1929 taxes of $109,000,000. They increased taxes seven times in 13 years. And still we are told there is a light ahead. We are told to turn to the left, to State Socialism.

What are we going to socialize? What are we going to take over? Let us look at what we have.

Our farms, our urban real estate, household goods and autos constitute 59.39 per cent of our national wealth. I ask our farmers, will their farms be better run by the township council than they run them? By the county council? By the provincial government? Or by the federal government? Until there is a clear answer to that question we should not be set for State Socialism. It would not do much good to take over these buildings in Central Toronto and it would not do much good to take over your houses.

Railways, highways, harbors, canals, electric stations and railways and telephones constitute 17.39 per cent of the national wealth of the country.

Our trading establishments of stores and merchandising establishments, 5.79 per cent.

Our forests and fisheries 6.2 per cent. We have most of the forests now. And in Lake Ontario I will show you a body of water that ought to be prolific of fish and is not. It is owned by two of the wisest countries in the world and it is an example of the inefficiency of state ownership and state control.

Some Other Items

Now I am coming to something you might take over. I am going to give you five more items and I am going to be a little more explicit. Take the mines. If we take them over your share and mine on a per capita basis is $86; the capital employed is 2.81 per cent of our national wealth.

Our manufacturing machines, capital, tools, lands and buildings constitute 4.6 per cent of our national wealth and on a per capita basis mean $83 for each of us, 2.72 per cent. Then there are construction and repair materials and tools which are less than ½ of one per cent. Specie, coins and other currency, with governments, banks and in the hands of the general public, would mean only $20 for each of us. They constitute less than two-thirds of one per cent of the national wealth of the country. How are we going to acquire these things if we decide to acquire them. Revolution, somebody says. Peaceful revolution, somebody adds. I had a friend who was held up by a highwayman down on the Kingston Road and this friend said he was a polite robber. He had a gun and he said: "Hand over what you have got and do it peacefully."

Are we going to do it by purchase. That was the dividing line in the Russian revolution. There were two groups of people, one called the Mensheviks, who said the State should compensate. There was the other group, the Bolsheviks, and they said, let us confiscate, and the Bolsheviks won. We are told that there should be no confiscation of wealth in this country. Well, what kind of confiscation. I mean confiscation of which one of these different items I referred to. I presume they mean business capital. You would have to have that if you had socialism. But it cannot be done peacfully in this country. Twenty-one per cent of it is owned in the United States. Thirteen per cent of it is owned in the United Kingdom. And it cannot be done peacefully. Some people propose it should be done peacefully.

Working or Fighting

I was talking on the platform this summer with a man who thought there ought to be a little bit of fighting. He told a story of a gardener who was a bit radical and he asked his master, the proprietor of the place, how he got it. "Well," he said, "I inherited it from my father." How did your father get it?" He got it from his father." Where did he get it?" "Well his grandfather fought for it and won it." So the gardener took off his coat and he said "All right I will fight you for it."

That is an old story and it does not apply to this country. If people want land here all they have to do is take off their coats and work for it. Then when we get these properties how are we going to manage them. I am going to hurt somebody's feelings now because I am going to make a statement that on the side of the House I sit on I do not know of anyone, not even Mr. King, who has the ability to regulate all the details of industry in this country. And as I look across I cannot see anybody on the other side, not even Mr. Bennett with all his forcefulness, and I doubt very much whether there is anybody down in the left hand corner, where the new parties sit, that has that ability.

The older I get the less faith I have in super-men. The thing won't work in Democracy. A Socialist party is tolerant of other parties only so long as they are in opposition. It cannot be otherwise. In Russia they will not tolerate the rise of political parties and they cannot because it is impossible to go back once you have socialized. You cannot have an unsocializing policy today and a socializing policy tomorrow. You have to go in for autocracy. The light takes us back to unfreedom. After this long journey, upon which we have struggled for freedom, we go back to unfreedom, and to poverty.

Cannot Succeed

State socialism cannot deliver the goods. It has not delivered the goods in Russia.

Our duty seems to me to be very plain. We must look after those who are ditched, those who cannot provide for themselves but that should be a temporary measure. We have to put our house in order. We must outline what the State can do and what the State cannot do and regardless of party we must be sure that it doesn't try to do that which common sense and experience teaches us it cannot do.

We must restore competitive economy. We must make big corporations behave.

We must get back to competitive economy, to the capitalistic order that has brought us from poverty into prosperity and which we have allowed to be destroyed. What I have said today has been wasted unless you realize that effort is your job and mine.

Mining Stock Quotations

Week Ending January 2

Par Val.	Range 1932 High	Range 1932 Low	Company	Sales	Close Dec. 26 (or last)	High for week	Low for week	Close Jan. 2
1	.06	.02½	Abana	4,000	.03	.03	.02½	.02½
1	.03	.00½	Aconda	......	.01			
No	.15	.15	Aldermac	......	.15	.....	.....	.....
1	.09	.00¾	Alexandria	3,000	.01½	.02	.01½	.01½
No	.20	.03	Algoma	67,800	.03½	.03½	.03	.03
1	.01½	.00½	Algonquin	......	.00½	.....	.....	.....
1	.01¼	.00½	Amity C.	......	.00½	.....	.....	.....
No	.36	.06	Amulet	4,450	.10	.13	.10	.11
1	.00½	.00¼	Apex	......	.00¼	.....	.....	.....
1	.04	.01	Ares	200	.01½	.01	.01	.01
No	.03½	.00¾	Arno	17,100	.01½	.02	.01½	.02
1	.75	.65	Ashley Gold	500	.72	.70	.69	.70
1	.02½	.02	Astoria Rouyn	......	.02½	.....	.....	.....
1	.07	.01	Bagamac	500	.01½	.01½	.01½	.01½
1	.01½	.00½	Baldwin	......	.00½	.....	.....	.....
1	.12	.03	Barry Hollinger	90,500	.08½	.11½	.09	.10½
No	1.45	.30	Base Metals	......	.70	.....	.....	.....
1	.21	.04	Big Missouri	22,150	.09	.10	.08	.09½
1	.11½	.02	Bobjo	60,000	.07	.09	.07½	.08½
1	.23	.02½	Brett Trethewey	11,400	.13	.17	.14	.16
No	.03	.00¾	Brownlee	1,500	.01½	.01½	.01½	.01½
1	.01	.00½	Buckingham	......	.00½	.....	.....	.....
No	.36	.02	Buffalo Can.	500	.02½	.02½	.02½	.02½
No	.04	.01	Bunker Hill	1,500	.01½	.01½	.01½	.01½
5s	1.03	.10	B'Wana McKubwa	......	.80	.....	.....	.....
No	.01	.00½	Cal. Flin Flon	......	.01	.....	.....	.....
No	.04	.02	Canam Metals	......	.02½	.....	.....	.....
1	.04½	.01½	Can. Kirkland	5,300	.03½	.04	.03	.03½
No	.02½	.00¾	Capital Rouyn	1,000	.00½	.00½	.00½	.00½
1	.07	.01½	Cartier Malartic	8,000	.01½	.02½	.01½	.02½
1	.21½	.09	Castle Trethewey	2,800	.15	.16	.16	.16
1	.09½	.04	Cen. Manitoba	10,000	.05	.06½	.05	.06
1	.21	.02	Cen. Patricia	45,925	.17½	.21	.17	.20
No	.07½	.01	Chibougamau Pros.	......	.04	.....	.....	.....
No	.02	.00¾	Clericy	4,000	.01	.01	.00¾	.01
5	5.00	.45	Coast Copper	550	1.80	1.75	1.55	1.65
1	.02½	.00½	Cobalt Contact	......	.00½	.....	.....	.....
No	.16	.15	Cobuc	......	.15½	.....	.....	.....
1	.14	.03	Columario	61,200	.07½	.11	.07½	.09½
5	1.10	.69	Coniagas	......	.90	.....	.....	.....
No	.50	.23	Coniaurum	2,128	.25	.30	.25	.30
25	102.00	25.00	Cons. Smelters	554	60.00	63.50	60.00	63.50
No	14.50	9.00	Dome Mines	3883	13.80	14.40	13.70	14.15
No	.10	.02	Dom. Explorers	15,400	.03½	.05	.03½	.05
.	.00½	.00½	Dominion Kirk	......	.00½	.....	.....	.....
1	.04	.00½	Don Rouyn	6,000	.01	.02	.01½	.02
.	.04	.02½	Duparquet	......	.02½	.....	.....	.....
1	1.60	.76	Eldorado	18,945	1.34	1.45	1.32	1.37
No	2.40	.47	Falconbridge	11,091	1.74	2.10	1.70	2.00
1	.04	.00½	Federal	1,000	.01½	.01	.01	.01
No	.00½	.00½	Flintoba	......	.00½	.....	.....	.....
No	.07	.00½	Gem. Lake	......	.01½	.....	.....	.....
1	.03	.00½	Goldale	......	.03	.....	.....	.....
10	.24	.05½	Goldfield	......	.10	.....	.....	.....
1	.00½	.00½	Gold Hill	......	.00½	.....	.....	.....
1	.04	.02	Goodfish	......	.02	.....	.....	.....
1	.03½	.00½	Graham	......	.00½	.....	.....	.....
1	1.25	.50	Granada	24,910	1.08	1.20	1.10	1.18
1	.22	.05	Grozelle	......	.07	.....	.....	.....
1	.03½	.01	Harker	6,500	.02	.02	.02	.02
1	.01½	.00½	Hilltop	......	.00½	.....	.....	.....
5	6.25	4.25	Hollinger	8827	5.50	6.25	5.45	6.25
1	.72	.26	Howey Gold	91,380	.65	.70½	.65	.70
No	5.30	.92	Hudson Bay	6,955	3.01	3.20	2.85	3.20
No	.36	.13	Huronian	......	.30	.....	.....	.....
No	13.50	4.00	Int. Nickel	15,865	8.50	9.87	8.50	9.25
1	.01¾	.00½	Jackson Manion	1,000	.00½	.00½	.00½	.00½
1	.25	.19	Keeley	300	.20	.20	.20	.20
1	.02½	.00½	Keora Mines	10,900	.02½	.02½	.02	.02
1	.70	.40	Kirk. Hud. Bay	2,500	.60	.60	.55	.60
1	.02½	.00½	Kirk. Hunton	1,000	.00½	.01	.01	.01
1	.55	.19	Kirkland Lake	26,100	.29	.31½	.28	.31½
1	.03½	.00½	Kirkland Premier	5,004	.01	.01½	.01	.01
1	.15½	.05	Kirk. Townsite	5,500	.13	.13½	.13	.13½
20c	.01½	.00½	Koot. Florence	......	.00½	.....	.....	.....
1	.01½	.00½	La Rose	......	.01½	.....	.....	.....
1	.41	.10	Lakeland	300	.15	.16	.16	.16
.	.29	.05	Lake Maron	7,500	.08	.06½	.05	.06½
1	35.10	24.90	Lake Shore	4,060	33.75	33.95	33.50	33.75
1	.00½	.00½	Laval	......	.00½	.....	.....	.....
1	.07	.01½	Lebel Oro	2,000	.02½	.03	.02½	.03
1	.41	.13	Macassa	18,600	.20	.22	.21	.21
1	.07	.02½	Malartic	44,600	.04½	.07	.04¾	.06½
1	.04	.00½	Malrobic	30,500	.01½	.01½	.01½	.01½
No	.08	.02	Mandy	......	.03	.....	.....	.....
No	.02	.00½	Manitoba Basin	287,100	.01½	.02	.01½	.01½
5	25.00	14.70	McIntyre	8,135	22.70	23.60	22.60	23.25
1	.37	.25	McKinley	......	.37	.....	.....	.....
No	.09½	.01¾	McLeod River	19,500	.02½	.02½	.02	.02
No	.50	.40	McWatters	16,850	.40	.47	.40	.45
1	.19	.16½	McVittie (new)	1,750	.....	.19	.16½	.16½
No	1.85	.58	Mining Corp.	6,240	1.12	1.40	1.13	1.40
1	.08½	.01½	Moffatt Hall	11,000	.01½	.01¾	.01½	.01½
1	.02½	.02	Moneta	......	.02	.....	.....	.....
1	.45	.10½	Moss	88,350	.24½	.35	.26½	.34½
1	.02½	.00¾	Murphy	......	.00½	.....	.....	.....
No	.06½	.01	Newbec	5,000	.03½	.03½	.03½	.03½
5	1.48	.50	Nipissing	7,500	1.00	1.35	.95	1.30
No	23.25	12.50	Noranda	8,942	18.65	20.50	18.65	20.40
No	.39	.10	Nor. Canada	5,800	.33	.35	.31	.35
.	.76	.65	Northern Metals	......	.76	.....	.....	.....
No	.01½	.00½	Old Colony	61,000	.00¾	.01½	.00¾	.01½
1	.09	.05	Osisko	1,850	.05	.06	.05	.06
1	.17	.07	Parkhill	3,500	.11	.11½	.10	.10
1	.13½	.11	Patricia Dent	......	.13	.....	.....	.....
1	.02	.01	Pawnee Kirk	......	.01½	.....	.....	.....
No	1.25	.35	Pend Oreille	500	.50	.52	.50	.50
1	.01½	.00½	Peterson Cobalt	......	.00½	.....	.....	.....
1	4.94	3.00	Pioneer Gold, B.C.	2,000	4.40	4.00	4.40	4.40
1	.00½	.00½	Porcupine Crown	......	.00½	.....	.....	.....
1	.02	.00½	Potter Doal	......	.00½	.....	.....	.....
1	.12	.12	Powel Rouyn	......	.12	.....	.....	.....
1	.75	.32	Premier Gold	6,800	.55	.62	.58	.62
1	.01½	.00½	Preston E. Dome	1,000	.01	.01½	.01½	.01½
No	1.31	.15	Prospectors Air's	300	.65	.70	.70	.70
No	1.00	1.00	Quebec Pros.	......	1.00	.....	.....	.....
No	.10	.03	Quemont	......	.03½	.....	.....	.....
1	.02½	.00½	Ribago	3,000	.00½	.01	.01	.01
1	.02½	.01	Ritchie	6,500	.01½	.01½	.01½	.01½
1	.02½	.00½	Robb Montbray	2,000	.01	.01	.01	.01
1	.92	.25	San Antonio	57,047	.68½	.92	.70	.92
1	.09	.07½	Seven Troughs	......	.07½	.....	.....	.....
1	.77	.18	Sherritt Gordon	8,760	.37	.40	.34	.40
1	1.33	.50	Siscoe	463,826	1.04	1.33	1.05	1.31
1	.10½	.00½	South Keora	43,900	.07	.10½	.07½	.08½
No	.02½	.00½	Stadacona	271,000	.01½	.02½	.01½	.01½
1	.17	.05	St. Anthony	......	.08	.....	.....	.....
No	.80	.16	Sudbury Basin	8,910	.48	.72	.58	.68
1	.02½	.00½	Sudbury Contact	......	.02½	.....	.....	.....
1	.01	.00½	Sudbury Mines	......	.00½	.....	.....	.....
1	.22	.07	Sullivan	28,850	.21	.22	.20	.20
1	.87	.39	Sylvanite	45,825	.71	.80	.71	.70
1	.07	.01	Tashota	11,000	.02	.02½	.01½	.01½
.	.15½	.12	Tashota Goldfield	2,500	.15½	.15½	.15½	.15½
1	5.25	3.05	Teck Hughes	44,945	3.70	4.10	3.70	4.05
1	.07½	.02	Thom. Cadillac	7,000	.05	.04½	.04	.04½
1	.40	.10	Towagmac	1,400	.10	.13	.10	.10
1	3.00	1.00	Treadwell	115	1.10	1.10	1.00	1.10
1	.09½	.02	United Kirkland	1,000	.03½	.05	.05	.05
1	.12	.00	Vacuum Gas	65,900	.04½	.06	.04	.06
No	1.10	.16	Ventures	105,800	.69	.84	.68½	.83
1	.18	.04	Vickers	1,000	.12	.11	.10	.10
1	.45	.18	Vipond	12,112	.21	.30	.18	.29
No	1.01	.25	Waite Ackerman	......	.50	.....	.....	.....
1	.08	.01	White Lake	2,000	.04	.02½	.02	.02
1	.01	.00½	Wiltsey Coughlan	......	.01	.....	.....	.....
.	.10	.04½	Wood Kirkland	500	.06	.06½	.06½	.06½
No	3.85	2.09	Wright-Hargreaves	54,710	3.49	3.85	3.45	3.75
			OIL STOCKS					
No	.19	.07½	Acm. Gas & Oil	9,200	.08½	.10	.07½	.09
1	1.17	.60	Ajax	5,900	.70	.70	.65	.70
1	.18	.04½	Alta. Pacific	......	.08	.....	.....	.....
1	.03½	.02	Askalta	......	.03½	.....	.....	.....
No	.20	.02	Associated	1,500	.07	.05½	.05	.05½
No	.09	.01	Baltac	1,000	.02	.02½	.02½	.02½
.	.05½	.00½	Benton	......	.00½	.....	.....	.....
1	.05	.02½	Brit. Dominion	......	.03½	.....	.....	.....
No	.60	.14	Calgary & Ed.	600	.28	.30	.30	.30
1	.15	.04	Calmont	......	.05	.....	.....	.....
1	.14	.03	Common. Pete	......	.04	.....	.....	.....
No	.40	.05½	Dalhousie	800	.15	.15	.13	.14
No	.01	.01	Devenish	......	.01	.....	.....	.....
No	.02	.00½	Dome Oil	......	.00½	.....	.....	.....
No	.16	.04	East Crest	......	.06½	.....	.....	.....
No	.01½	.01	Fabyan Pete	......	.01½	.....	.....	.....
No	.25	.05	Foothills	......	.15	.....	.....	.....
No	.03½	.02	Freehold	......	.02	.....	.....	.....
1	.02	.00½	Great West	......	.00½	.....	.....	.....
No	.06½	.03	Hargal	......	.03	.....	.....	.....
No	.05	.02	High Sarcee	......	.02	.....	.....	.....
No	.85	.15	Home	565	.30	.35	.28	.30
No	.25	.01½	Homestead	......	.01½	.....	.....	.....
1	.50	.09	Homest'd O. & G.	2,300	.13	.14	.11½	.12
1	.01	.00½	Illinois Alberta	......	.00½	.....	.....	.....
No	.02½	.00½	Lethbridge	......	.00½	.....	.....	.....
No	.10	.04	Lowery	......	.10	.....	.....	.....
No	.02	.00½	Madison	......	.00½	.....	.....	.....
1	.32	.05½	Mayland	......	.15	.....	.....	.....
No	.04	.01½	McD. Segur Ex.	......	.01½	.....	.....	.....
1	.04½	.01	McD. Segur N.	......	.01	.....	.....	.....
1	.50	.18	McLeod	......	.18	.....	.....	.....
No	.10½	.06½	Mercury	......	.07½	.....	.....	.....
No	.22	.04½	Merland	1,000	.16	.14	.14	.14
No	.15	.08½	Mill City Pete	......	.08½	.....	.....	.....
1	.20	.12½	Model	......	.13	.....	.....	.....
1	.05	.04	Monalta	......	.05	.....	.....	.....
1	.07	.03	Moose Mountain	......	.03	.....	.....	.....
1	.01	.01	New Federal	......	.01	.....	.....	.....
5	.20	.01	Nordon	66,040	.14½	.20	.14	.20
No	.06	.02½	Oil Selection	11,500	.02½	.02½	.02½	.02½
No	.05	.02½	Okalta	......	.03	.....	.....	.....
100	15.00	15.00	Do., Pref.	......	15.00	.....	.....	.....
No	.32	.09	Olga Gas & Oil	5,500	.20	.20	.18	.19
No	.20	.02	Penn. Pete	23,200	.03½	.04½	.03½	.03½
No	20.00	20.00	Perfection Pete, Pfd.	......	20.00	.....	.....	.....
1	.28	.12	Petrol Oil & Gas	......	.16	.....	.....	.....
No	.14	.08	Ranchmen's	......	.09	.....	.....	.....
1	.01	.00½	Regent	......	.01	.....	.....	.....
No	.02½	.01	Richfield	......	.01	.....	.....	.....
No	9.85	3.95	Royalite	......	8.00	.....	.....	.....
1	.29½	.05	Sarnia Oil	36,000	.09½	.12	.09½	.09¾
1	.03	.01	Signal Hill	......	.01	.....	.....	.....
No	.12	.05	South West Pete	......	.08	.....	.....	.....
1	.20	.10	Spooner	......	.15	.....	.....	.....
No	.21	.05½	Sterling Pacific	......	.11	.....	.....	.....
1	.11	.07½	Turner Valley	......	.07½	.....	.....	.....
No	.08	.03	United	......	.03	.....	.....	.....
1	.09½	.03	Vulcan	......	.03	.....	.....	.....
No	.02½	.00½	Wainwell	2,500	.00½	.01	.01	.01
			VANCOUVER STOCK EXCHANGE (Transaction for Week to December 28)					
25c	.00½	.00½	Bayview	......	.00½	.....	.....	.....
20c	.05½	.02	Beaver Silver	......	.02½	.....	.....	.....
25c	.04	.01	Bluebird	......	.01	.....	.....	.....
No	1.45	.50	Bralorne	56,583	1.20	1.45	1.18	1.45
1	.12	.04	Bridge River Cons.	20,500	.05	.06	.04½	.06
25c	.01½	.01	Cork Province	......	.01	.....	.....	.....
1	.13	.02	Cotton Belt	......	.02	.....	.....	.....
1	.01½	.01½	Dalhousie	......	.01½	.....	.....	.....
1	1.00	.15	George Copper	410	.30	.30	.25½	.30
50c	.02	.01	Geo. Enterprise	......	.01	.....	.....	.....
1	.05	.01	Georgia River	28,000	.02¾	.03	.02½	.02½
1	.35	.10	Golconda	......	.10	.....	.....	.....
50c	.08	.02	Grandview	500	.03	.02½	.02½	.02½
1	.01	.00½	Independence	......	.00½	.....	.....	.....
1	.01½	.01	Indian Mines	......	.01	.....	.....	.....
1	.15	.08	Inter. Coal	1,000	.10	.10	.10	.10
1	.21	.21	Jack Waite	......	.21	.....	.....	.....
25c	.00½	.00½	Kootenay King	......	.00½	.....	.....	.....
10c	.04	.01	Lucky Jim	500	.01½	.01½	.01½	.01½
5c	.12	.04	Metaline Metals	......	.06	.....	.....	.....
1	.03	.00½	Morton Woolsey	......	.00½	.....	.....	.....
50c	.03½	.00½	National Silver	12,000	.01½	.01½	.01½	.01½
50c	.08½	.02	Noble Five	500	.02½	.02½	.02½	.02½
50c	.01	.00½	Oregon Copper	......	.00½	.....	.....	.....
1	4.85	3.00	Pioneer Gold	2,725	4.55	4.63	4.35	4.40
50c	.08½	.02	Porter Idaho	......	.04	.....	.....	.....
No	.02	.00½	Premier Border	......	.00½	.....	.....	.....
No	.35	.07½	Reeves McDonald	100	.18	.12	.12	.12
1	.66½	.21½	Reno Gold	20,050	.56½	.62	.56½	.62
1	.02½	.00½	Rufus Argenta	......	.00½	.....	.....	.....
1	.05	.02	Ruth Hope	......	.02	.....	.....	.....
1	.05	.02	Silverado	......	.05	.....	.....	.....
25c	.02½	.01	Silver Crest	......	.01	.....	.....	.....
50c	.02½	.00½	Snowflake	3,000	.00¾	.00¾	.00¾	.00¾
1	.79	.20	Sunloch	......	.20	.....	.....	.....
No	.06	.05	Vanalta Oil	......	.06	.....	.....	.....
20c	.02½	.01	Wellington	......	.01	.....	.....	.....
1	.06½	.00½	Whitewater	......	.04	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	12c.	....	Noranda	$1.10	....
Coniagas*	12½c.	....	Petrol Oil	2c.	....
Coniaurum†	3c.	....	Premier	12c.	19.35
Dome Mines	$1+10c.	7.77	Pioneer, B.C.	24c.	5.45
Hollinger	65c.+10c.	12.00	Royalite	$1.50	....
Howe Sound	40c.	....	Siscoe	11c.	....
Lake Shore	$2+$1	8.88	Sterling Pac. Oil†	2½c.	....
McIntyre	$1.50	6.45	Sylvanite	4+1c.	6.32
McLeod Oils*	5c.	....	Teck Hughes	60c.	14.81
Merland Oils†	2½c.	....	Wright-Har	10+5c.	4.00

*Interim. †Initial.

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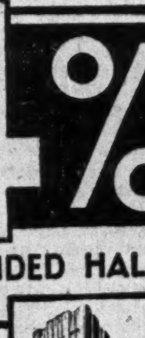

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WINDSTREAMING PONTIAC FEATURE IN 1933 MODELS

Eight Cylinder Power Unit Develops 77 h.p.

Modern windstream body design and deeply skirted fenders give the new 1933 Pontiac straight eight just announced, a distinctly different appearance from its predecessors. Like other General Motors cars, the new Pontiac is equipped with split vertical sections of front and rear quarter windows for the operation of Fisher "no-draft" interior ventilation. The power unit in the new Pontiacs is a straight eight of 32.6 S.A.E. rated horsepower.

Corrugation of the fender valances gives them lines distinct from those of the Chevrolet and Buick, other General Motors lines already announced. The fenders also dip low in front, thus concealing almost all the undercarriage from view.

Stream Lining

The streamline styling of the body is carried out by means of the slanting V-grill radiator, long straight line hood and cowl and slanting hood louvres. The car has a wheelbase of 115 inches.

A built-in thermostat pre-heats the fuel mixture to a proper temperature in all seasons, and this feature is said to effect an economy in fuel consumption. The new Pontiac is understood to be capable of accelerating from a standing start to 60 m.p.h. in 26 seconds. It has full pressure lubrication to all motor bearings, and high efficiency valves. A cold water pipe line extends the length of the motor, aiding cooling of valves and cylinders.

The starter button in the Pontiac is located at the extreme left of the instrument panel, as are other instruments. These include pointer type speedometer, gasoline gauge, ammeter and combination oil and temperature gauge. The right half of the instrument panel is occupied by a glove compartment, and choke throttle buttons are in the centre.

Motor Design

The motor is of "L" head design, and provides an almost "square" cylinder ratio with bore of 3-3/16 inches and stroke of 3½ inches, which gives a displacement of 223.4 cubic inches. Due to the short stroke of the motor, piston travel is held to only 1,885 feet per mile, which should lengthen piston life and reduce the internal stress of operation.

The steering gear is of the taper roller bearing type with a ratio of 14 to one and allows a complete turn in a 40 foot street. The new models have synchro-mesh transmission, full treadle type accelerator, 12-in. mechanical brakes and hydraulic shock absorbers.

TIP TOP TAILORS EARNINGS LOWER

Future Dividends on Preferred Depend on Spring Business

Earnings of Tip Top Tailors Ltd. are stated to have been insufficient during the year ended December 31, 1932, to cover the full prefered dividends. In a letter to shareholders, D. Dunkelman, president, states that the company's working capital position is as strong as it was at the end of 1931. At that time working capital amounted to $1,052,433 and the ratio of current assets to current liabilities was 7.53 to 1. The annual statement of the company usually appears early in February.

In a normal year, the first quarter is always an unprofitable period and it is stated that unless there is an improvement in business or in operating conditions the next dividend will not be considered until June when results for the first six months of 1933 will be apparent. Every effort is being made to increase volume of sales and effect economies in operation. Directors hope that results of 1933 will be profitable enough to justify continuance of dividend but feel that in fairness to shareholders they should be advised in advance of the dividend policy.

DOM. STEEL AGREES ON WAGE PLAN

United Mine Workers and Company Conclude Negotiations

From Our Own Correspondent

MONTREAL.—Wage negotiations between Dominion Steel and Coal Corp. and United Mine Workers in District 26 have been concluded. The proposed contract covers a period of one year starting at the beginning of next month and, if both parties are agreeable, automatically continues in force for another twelve months at the expiration of the first year.

There will be no change in any particular in the present contract as it affects the miners of the mainland collieries. In the Glace Bay subdistrict, which includes Glace Bay, Dominion and Reserve. eight men will be paid less under the new contract than they are at present, while others will retain their present rates. In the New Waterford and Sydney Mines sub-districts fifty-one men will be paid less under the new contract than under the old one.

Over 12,000 workers are involved in the new contract, which covers only members of the United Mine Workers District 26. The 59 men who will have to take a reduction in wages under the new contract are earning under the present agreement between $12 and $17 a day.

Hydro-Electric Securities Can Now Buy Own Stock

From Our Own Correspondent

MONTREAL.—Hydro-Electric Securities Corp. has amended its by-laws giving the management authority to purchase in the open market at a price not exceeding 100 per cent of the par value and unpaid accrued dividends thereon any or all of its Class A or B preferred shares. The preferred shares thus bought shall be deemed to have been redeemed and shall not be re-issued.

The annual statement for 1931 showed that the company had authorized but not issued $30,000,000 of A preferred stock, while $10,062,000 of $10 par value B prefered shares were issued.

Ottawa Valley Power Limits Size of Board

From Our Own Correspondent

MONTREAL. — Ottawa Valley Power, undertaking the joint development of the Chats Falls power site on the Ottawa River with Ontario Hydro, has amended By-law 1 reducing the number of directors from 10 to 7.

NATION-WIDE CONCERN IS EXCITED BY REPORTS MORATORIA INTENDED

(Continued from page 1)

all parts of the Dominion by government bodies are bound in any case to result in further large losses but they have to be dealt with just as sanely as do the investments of private companies unless the taxpayers are to have another great burden put on their shoulders. Thousands upon thousands of old people, of widows and orphans depend upon mortgages directly while many times their number depend indirectly because they prefer to let an experienced institution do the lending while they hold its stock or debentures or deposits in it. A moratorium upon mortgage payments would deprive these inevitably and tragically of their living.

The Financial Post has asked officials of large lending institutions to explain their individual situations because so many investors and even policy-holders have been perturbed as to reported intentions of governments. These men have expressed the belief that there is no reason to worry unduly on the part of investors because these experienced financial men feel sure that governments will on the whole act with common sense and stop far short of enacting according to the fiery counsels of certain vote-seekers.

Have Been Considerate

It is certain that moneys of these institutions have been placed much more soundly and with much more consideration for power to repay than have moneys loaned by government bodies. More than a decade ago the chief institutions began to withdraw from the farm loan field because of the reckless competition of government bodies. Both in Western Canada and in Ontario these companies refused to meet the uneconomic rates of governments and therefore they have less to lose in rural Canada than previously. Yet they have shown as much consideration for their old borrowers as though these changes had not occurred.

The files of all the large companies still interested in farm loans show a great number of cases where adjustments have already been made to meet the situation of borrowers. In individual cases every type of adjustment has been made to meet the needs. There has been no harshness reported on the part of the big lenders in Canada. Most of the cases of hardship and harshness are where individual lenders on mortgage push the borrowers savagely in order to save their principal or as much of it as possible.

Debt Payments Improve Business

There is no protest against debt adjustment legislation if it preserves as an essential feature that every case must be treated on its merits. There is a general willingness to refund on a long term basis where the individual requires such treatment but it is urged that no such action should be taken on a general cut-and-dried plan because the stopping of payment by people able to pay would cause hardship somewhere along the line. Payment of as many debts as possible is one of the chief ways to recovery.

The Dominion government, as shown in an article published in this issue of The Financial Post, adopts exactly the same policy as that urged on provincial governments by lending bodies. Each case is treated on its merits. Given that as a principle, it is felt that all situations can be eventually worked out to the ultimate benefit of lender, borrower and state, without harshness. Fortunately the large institutions of Canada have been well run and losses on mortgages are bound to occur but the careful selection made in other days is bearing its fruit now. With careful nursing of each situation where distress occurs it is felt that the situation will right itself without serious loss to the ultimate interests of investors. The institutions feel that they can navigate successfully this difficult period if they have co-operation of governments and not their active antagonism for mistaken political reasons.

Provinces Will Lose Much

The stake of the provinces in the matter is immense. They must collect their mortgage interest where possible or get increasing wrath from taxpayers asked to foot bills to meet deficits. Alberta's guarantees of various farm liabilities last year exceeded $16,000,000, Ontario's $35,000,000, Manitoba's $8,000,000 and Saskatchewan's $12,000,000. Western premiers are expected to make early statements as to their policies with respect to these loans. It is expected that refunding of loans on a long-term basis will be part of the plans, and in many instances that would be a good thing to do. There is no doubt but that the Western farmer has been hard hit and indeed the Eastern farmer as well. In cases of hardship they deserve consideration and farmers who really try hard to make a success of their properties will have no difficulty in getting consideration.

To Meet Premier Henry

The same thing is true of the small home-owner in urban centres. It is necessary to relieve some of liabilities too large for them. People who bought houses on a shoe-string and had several mortgages are making more noise at present than owners who acted more conservatively. In some cases protecting them against their folly would be only deferring the evil day.

It is understood that Premier Henry, whose recent statement about government plans for the next Legislature has given rise to misunderstandings, will meet representatives of Land Mortgages Companies' Association, representing the principal insurance, trust, loan and mortgage companies on January 6. It is to be hoped that his statement then will be plain that nothing detrimental is intended to interests of institutions representing savings of such a large part of Canadian earners. Similar statements from other premiers would be of value. Premier Taschereau, of Quebec, has not decided his policy with respect to the loans of the caisses populaires but so far he has maintained that there is no reason for intervention to save mortgagors, that great consideration has been shown by lenders and that the damage wrought by an obstructive policy would be far greater than the relief it would give in some cases.

How Debt Adjustment Works

In view of the fact that an official statement of policy is expected from Premier Anderson of Saskatchewan shortly, it is interesting to note the official report by Commissioner A. J. Hosie under date of June 30, 1932, of the working out of the Debt Adjustment Act under the Debt Adjustment Bureau for the year ended April 30, 1932:

"During the year over 8,400 residents consulted this department regarding their affairs and 280 certificates under The Debt Adjustment Act have been issued.

"Practically every variety of trouble has been brought to my attention including difficulties over payments of farm machinery, live stock. automobiles, trucks, payments due under mortgages, agreements for sale. crop leases, threshing accounts, etc.

"The policy of this department is to endeavor to arrange amicable settlements between debtors and creditors rather than resort to the issue of a certificate and in most cases the department is successful in making arrangements on this basis.

"After a certificate has been issued, the resident is required to market all the proceeds of the farm, with the exception of poultry and dairy products, in the name of the commissioner, and the proceeds are disbursed as follows—harvesting expenses, seed grain liens, an allowance for living and operating expenses and the resident and his family for the next twelve months, one year's taxes paid, payment to the mortgage company or vendor, and the balance, if any. is distributed according to priority.

Over Optimism Brought Trouble

"The present financial condition of many farmers is not entirely due to crop failures and low prices of grain. An examination of the statements submitted by farmers indicates that farmers, like cities, towns, corporations. etc., endeavored to extend their operations too quickly, improve their farms, purchase cars, trucks, etc., through the use of easy credit and on the assumption that good crops and comparatively high prices would continue. Many farm were purchased at excessive valuation with small cash payments and many farmers who had clear title to their land, mortgaged it in order to obtain cash with which to purchase more land; and as a result, liabilities were undertaken which cannot be met under present conditions.

"Many farmers changed from horse to power machinery, the machinery being purchased on a credit basis when prices were at a high level and the farmers now find it most difficult to meet their obligations to machine companies.

"Machine companies, loan and mortgage companies, as well as other classes of creditors, are writing off a certain proportion of debt, but this is not being done on a general scale. Each case is considered on its merits and the general opinion seems to be that the time is not opportune for a general writing down of debts.

"I wish to express my appreciation of the co-operation and assistance rendered by creditors in general and members of the legal profession."

Policy of Federal Boards

From Our Own Correspondent

OTTAWA. — With respect to some 25,000 farmers in Canada, who are debtors to the Dominion government, a policy of abstaining from foreclosures except in cases where the Crown has no other alternative will be pursued in the new year.

With respect to the Federal Farm Loan Board which has loaned approximately $8,500,000 to 4,500 farmers, A. H. Brown, secretary, stated that no general policy with regard to collections had been adopted. "We are considering each case on its merits," he said.

Is Not Foreclosing

The Farm Loan Board is not foreclosing except in cases where the borrower abandons the property or, by his conduct, proves definitely that he has no intention of attempting to meet mortgage obligations. The board now has more than $250,000 arrears, principal and interest. Like private mortgage companies, the Board is taking crop leases from its debtors wherever possible.

Land Settlement Payments Small

The most important credit agency of the Dominion government, however, is the Land Settlement Board. Out of an original investment of $137,882,000 (not counting a bonus of $10,000,000 in interest exemptions) there now remain $63,000,000. The Government already has taken enormous losses on this scheme and additional losses are inevitable. There are 19,405 settlers under the Board and the arrears now stand at approximately $5,000,000. In the last two years payments by soldier settlers have scarcely exceeded 26 per cent of amounts due; by civilian settlers less than 20 per cent of amounts due.

Here, again, no foreclosures are being made unless borrowers abandon their properties. There is no general policy: each case is dealt with on its merits. Explaining the attitude of the Board, Hon. Wesley Gordon, Minister of Immigration and Colonization, said:

> "As cases arise they are dealt with on their merits. The idea is to assist the settler, who is trying to get along, in the hope that he will stay on the land and make good."

While the policy of foreclosing has not been followed in the past and will not be followed in the future, the Board takes crop leases where possible to ensure payment of arrears.

In so far as writing down mortgages is concerned there is no intimation that such a course will be followed in the New Year. With regard to Land Settlement, Parliament already has written off very large sums. There was the original write-off of $10,000,000 of interest charges. Subsequently the settlers' indebtedness was written down by $21,721,976. Still further, the government has taken a loss of $10,565,913 on the re-sale of properties. These items, coupled with existing arrears, bring the losses, to date, to more than $45,000,000.

And as for writing down farm loan mortgages, the organization has only been functioning since 1929 and most of the loans have been made within full view of existing conditions.

Gatineau Power Co. Set New Daily Record

From Our Own Correspondent

MONTREAL.—Gatineau Power Co. and subsidiary companies have made a new high output record for a single day by producing 9,864,428 kw.h. of electric energy. The previous record was made on December 15, 1931, when 9,744,188 kw.h. were generated. In 1930 the high point for the year was reached in November 6 with a production of 9,027,254 kw.h.

How Employment is Created

WHEN, for example, a hundred men each buy a suit of clothes, the merchant, to keep his assortment complete, buys another hundred suits from the manufacturer, who, in turn, orders cloth to make them. The woollen mill, in consequence, orders yarn from the spinner, who replenishes his stock by buying wool produced by the farmer. The farmer spends the proceeds in purchasing other articles which he needs, as do the workers in the clothing factory, the woollen mill, the spinning mill, etc. And all this circulation of money occurs because a hundred men buy suits.

All these spendings create a chain of employment, and those who get this employment purchase in turn the products of still other workers—a continuous chain of work from the final distributor, right back to the farmer who raised the sheep, and all sorts of extra employment in transportation, clerical work and the multitude of "in between" activities—an example in miniature of the beneficent circle of work and distribution.

How Employment is Destroyed

IF people refrain from buying, a shrinkage in employment occurs to that extent all around the circle. Less spending means less work to do and more unemployment.

Unemployment is universally regarded as the bane of to-day.

Unemployment is simply consumption falling away below the capacity for production, which has so greatly increased in modern times.

The obvious remedy, then, for unemployment is not to lessen production, but to increase consumption

The Importance of the Retailer

THE retail distributor functions as the link between producer and consumer.

The more cheaply and efficiently the distributor makes the producers' wares available to the consumer, the more the distributor contributes to the prosperity of the whole community.

It is upon the extent to which people purchase through Toronto's two thousand stores and Canada's tens of thousands of stores, which distribute the output of the farms, factories and workshops throughout the land, that we must largely depend for relief from the present condition of distress due to unemployment.

In Canada THE T. EATON CO. LIMITED plays no small part in this function of efficient distribution which means more work for everyone—particularly in its distribution of the products of Canadian workers.

How true this is you may gather in some degree from an examination of the following figures showing a conservative estimate of purchases made by the Company from industries in some Ontario communities during eleven months of 1932.

Two hundred and seventy-eight Ontario cities and towns have had a share in the purchases made by the EATON buying organizations. These goods are distributed throughout the length and breadth of Canada and are constantly finding new areas of consumption with the increase which has taken place in the number of our branch stores and distributing points.

Here are listed a few of the towns and cities in Ontario alone which during 11 months of 1932 have benefited by the purchases of our vast distributing organization:

TOWN OR CITY	ESTIMATED EATON PURCHASES	TOWN OR CITY	ESTIMATED EATON PURCHASES
Barrie	$ 194,000	London	$ 376,000
Brantford	917,000	North Bay	184,000
Carleton Place	141,000	Oshawa	225,000
Cornwall	229,000	Ottawa	287,000
Dunnville	304,000	Paris	324,000
Durham	158,000	Peterborough	413,000
Galt	695,000	Preston	273,000
Guelph	554,000	St. Catharines	350,000
Hamilton	2,800,000	Stratford	400,000
Kingston	152,000	Sudbury	240,000
Kincardine	183,000	TORONTO	*22,000,000
Kitchener	1,130,000	Waterloo	158,000

*(*Production from EATON factories not included.)*

THIS in itself is an impressive total in twenty-four communities only, out of the two hundred and seventy-eight above mentioned!—*and we are ready to buy more and more according to the public demand.*

When it is remembered that most of the money thus expended finds its way to hundreds of thousands of workers in the payment of wages, and that in addition our own thirty-odd thousand employees in Canada are thus kept employed in the business of distribution, it will be recognized that the service of the Company in helping to keep production on the move is of real importance.

Small Profits—Greater Volume

THE lower the distributors' charge—in other words, the lower the rate of retail profit—the better for both producer and consumer. A low profit means better value to the consumer, more goods sold, and more employment for the workers in production.

THE T. EATON CO. LIMITED, having the advantage of the economies of selling for cash, can make its prices low to the consumer.

This claim is not a mere unsupported statement, *it is backed by the EATON Price Guarantee, under which a purchaser who can buy an article of equal quality for less elsewhere on the same day, may get a refund of the difference, plus 7% of the lower price available elsewhere.*

Programme for January

THE tremendous programme of Mid-Winter and early Spring Sale Features, which help to turn the dull early months of the year into busy ones thereby increasing production—the Spotlight Sales—the Semi-Annual Sale of Furniture and Housefurnishings (by far Canada's greatest Housefurnishing event of the year, which will be announced shortly) represent an orderly, planned series, arranged well ahead of time, and bought for after much searching consideration with a view to finding the most outstanding values and widest varieties obtainable. A manufacturer usually requires many weeks from the time a large order is placed to have goods ready for delivery before the time of Sale.

Buy Wherever You Get Most for Your Money!

When for the same money you get more goods, you create more employment to that extent in producing those goods. Therefore, before buying, examine the goods, compare values, and buy wherever you get most for your money. Reading the ads does help; but in addition you should handle the merchandise.

THE T. EATON CO LIMITED